

LEGISLATIVE HEARING ON H.R. 813; H.R. 806;
AND A DRAFT DISCUSSION BILL “TO AMEND
TITLE 38, UNITED STATES CODE, TO DIRECT
THE SECRETARY OF VETERANS AFFAIRS TO
SUBMIT TO CONGRESS A FUTURE-YEARS VET-
ERANS PROGRAM AND A QUADRENNIAL VET-
ERANS REVIEW, TO ESTABLISH IN THE DE-
PARTMENT OF VETERANS AFFAIRS A CHIEF
STRATEGY OFFICER, AND FOR OTHER PUR-
POSES”

HEARING
BEFORE THE
COMMITTEE ON VETERANS’ AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS
FIRST SESSION

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Wednesday, July 17, 2013

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS’ AFFAIRS,
Washington, D.C.

The Committee met, pursuant to notice, at 10:15 a.m., in Room 334, Cannon House Office Building, Hon. Jeff Miller [Chairman of the Committee] presiding.

Present: Representatives Miller, Roe, Runyan, Wenstrup, Cook, Walorski, Michaud, Takano, Brownley, Kirkpatrick, Ruiz, Kuster, O’Rourke, Walz.

OPENING STATEMENT OF CHAIRMAN MILLER

The CHAIRMAN. Good morning. Welcome to this morning’s legislative hearing.

We are going to hear testimony today on three particular pieces of legislation. The first bill is an outstanding bill that I introduced along with Ranking Member Mike Michaud. It is H.R. 813, Putting Veterans Funding First Act of 2013; second, 806, a bill introduced by Ms. Brownley; and the third bill is a bill I, again, have joined with the Ranking Member in introducing, the Department of Veterans Affairs Budget Planning Reform Act for 2013.

First let me focus my opening remarks on H.R. 813. As most of my colleagues are aware, just over four years ago, we started providing VA’s medical care budget one year in advance. And, of course, the reason behind the law that directed this change in practice was pretty simple. A full year appropriations bill for VA had been enacted on time in only four of the prior 20 years.

According to VSOs and VA officials, delayed appropriations inhibited the ability of program administrators to plan effectively. So the hiring of doctors and nurses was being delayed, medical equipment purchases were being put off, and veterans experienced unacceptable wait times for medical appointments due to rationing.

By providing the medical care budget in advance, no longer would funding for VA's health system be held hostage to the gridlock that we have grown accustomed to here in the Nation's capitol.

I had hoped that things would improve in the intervening years, but, unfortunately, not much has changed. We are still lurching forward with stop-gap funding measures and periodic threats of shutdowns of the government.

So when I introduced the Putting Veterans Funding First Act earlier this year, all of government was operating under a CR or a continuing resolution. It was not until March, nearly six months into the fiscal year, when a full-year appropriation was finally enacted.

So although VA health care was protected, the other 14 percent of VA's discretionary spending was being held in limbo, things like VA's information technology systems, claims processing, facility construction, medical research projects, veterans' cemeteries. Full-year funding for all of these items was in doubt until the very end.

Here we are yet again with a status of next year's appropriation bills in the air. There is no agreed upon budget framework. The House and the Senate are miles apart on our appropriations measures and the Administration has even issued a veto threat on the House passed funding bill for VA for reasons that have nothing to do with the bill itself.

Once more, political calculations having nothing to do with our veterans are putting our collective support for funding for their benefits and services at risk. I think we would all agree that our veterans deserve better than this.

So I listened carefully to the statements of support on the floor for advanced appropriations during debate on the fiscal year 2014 VA MilCon bill. Members from both parties spoke in high praise, one touting, quote, "Absolute peace of mind and no worries," end quote, brought to veterans through the advanced appropriations process.

I heard another hail it as a, quote, "Platform for long-term planning and investment," quote. And still another lauded it as providing, quote, "Timely and predictable resources," end quote. And I agree with those statements wholeheartedly. They apply equally to the accounts that H.R. 813 seeks to fund in advance.

Each of those areas requires advanced planning for staffing, equipment or contract services, all of that is made more difficult when there is no certainty of what the full year funding level will be. So Putting Veterans Funding First would end the uncertainty by ensuring VA has its full discretionary appropriation well before its fiscal year begins.

And I am grateful for the support the bill has garnered across a wide spectrum of veterans' organizations. It is entirely consistent with the protections afforded to veterans' funding in law that currently exists today. VA is exempt from sequester and it receives 86 percent of its discretionary funding already in advance. H.R. 813 just goes that extra mile.

So in the face of dysfunction that exists at both ends of Pennsylvania Avenue, this is one area where we can continue to get it right.

I want to thank my colleagues who have already supported the bill. I would ask those who have not, to join us in truly putting veterans' funding first.

And I want to recognize now my good friend and Ranking Member from Maine, Mike Michaud, for his opening statement.

[THE PREPARED STATEMENT OF CHAIRMAN MILLER APPEARS IN THE APPENDIX]

OPENING STATEMENT OF HON. MICHAEL MICHAUD

Mr. MICHAUD. Thank you very much, Mr. Chairman, for holding this very important hearing this morning.

The three measures before us look at planning, funding, and oversight. Individually, each measure is very beneficial, but when we look at it together, they provide an analytic and transparent framework for VA, Congress, and other stakeholders.

They ensure requested resources are sufficient to meet the current and future needs of veterans. They also ensure that these resources achieve the best outcome for veterans.

I want to thank the Chairman for bringing forward his bill, H.R. 813. I believe that in order to extend advanced appropriations for the remaining VA discretionary account, we must have strong confidence that the underlying budget projections are appropriate within a long-term context.

The context must include a forward-looking strategy with goals and objectives and a five-year plan with expected outcomes, milestones, and resources. There must be a greater visibility for Congress into the assumptions, definitions, and details that provides the top-line appropriation accounts.

This information will ensure us that all VA's missions are identified, planned, and executed. This will also give us insight into any tradeoffs VA may make between resources and outcomes and enable us to better oversee whether the VA is meeting its stated goals with executed resources.

Before we budget and appropriate dollars, we must plan in programs. This is a nutshell of my bill, the Department of Veterans Affairs Budget Planning Reform Act of 2013. My bill will codify VA planning, program, budgeting, and evaluation or PPBE system. The PPBE is best practices currently used by leading corporations, important segments of our Federal Government as well.

For planning, it looks at the strategic level by means of a quadrennial veterans' review, the QVR, that periodically assesses the changing environment. The QVR ensures VA is in a position to meet the evolving needs of our veterans.

For programming, it aligns resources and efforts with a strategic direction by means of a five-year program. This lays out the path and outcomes and resources to get there. The five-year program looks beyond a single year's budget and next year's forecast and forces the VA to accurately and fully account for the taxpayers' dollars that is provided to the VA. It would provide Congress a vital tool that we need to use to assess the effectiveness of VA in meeting its responsibility.

The bill designates a chief strategy officer to ensure that the planning and programming phases of the process receives equal consideration with the budget and execution phases.

All these stages must be in place to create a mechanism that will better ensure that the VA budget provides the resources tailored to the missions of the department and that the need for these resources is fully defensible.

The bill does not graft Department of Defense or Department of Homeland Security policies on to the VA. This bill uses these agencies as a model, but it is crafted to meet the unique needs of veterans and the VA.

DoD is significantly larger than VA, has a different mission and has over 50 years of experience operating under a PPBE system. There is no expectation that the VA can or should match what DoD does today. It is a principle of long-range planning and programming that the VA should adopt, not the 8,500 DoD program elements or their resources intensive approach.

My bill recognizes VA's current efforts and intended to support these efforts while making sure Congress has access to the information we need to do our job. For the last few years, VA has experienced a period of budget growth and has been led by a secretary who supports analytic and transparent budget development, but we cannot expect these conditions to be permanent.

We should use the opportunity we have today to build a lasting framework to enable VA to meet its mission today and tomorrow. Fiscal constraints must come and leadership will transcend. We must prepare now for VA to meet the challenges, codify a VA PPBE system in statutes to ensure continuance in good times and during bad times.

I recognize that PPBE mechanism is a change in the way VA has done financial management. Change is hard, but everyone will be comfortable with this change. But change is necessary if we are to position the VA to meet its responsibilities and fulfill its mission in the coming years. Change is necessary if we are to perform our responsibility as Congress.

My bill, and the bills before us today, acknowledges that the status quo is no longer acceptable and this acknowledgment requires that we take action.

So I want to thank you, Mr. Chairman, for your help and support with my bill and in having the Committee look at the broader picture of VA budgeting and planning.

And with that, I yield back. And I would ask unanimous consent that my full remarks be entered into the record.

[THE PREPARED STATEMENT OF HON. MICHAUD APPEARS IN THE APPENDIX]

The CHAIRMAN. Without objection, all Members will have five legislative days with which to revise and extend their remarks.

Ms. Brownley, I would like to recognize you to discuss your bill, H.R. 806.

OPENING STATEMENT OF HON. JULIA BROWNLEY

Ms. BROWNLEY. Thank you, Chairman Miller and Ranking Member Michaud, for holding this important Full Veterans' Affairs Committee legislative hearing today.

H.R. 806, the Veterans Healthcare Improvement Act, was the very first bill that I introduced as a new Member of the 113th Congress. I am grateful that the Full Committee is considering this important legislation.

As Ranking Member of the Subcommittee on Health, I believe it is, as we all do, I believe it is vitally important to ensure adequate funding for veterans' health care programs.

I am sure the Committee knows in 2006, 2007, and 2008, the prior Administration's budget request for VA health care was not sufficient to meet the needs of our veterans. The funding shortfall in those years forced Congress to provide supplemental appropriations to ensure the VA would have sufficient funds to continue to provide basic health care services to our Nation's veterans.

In 2009, Congress passed the Veterans Health Care Budget Reform and Transparency Act which provided for advanced appropriations for Veterans Health Administration programs. It also ensured the accuracy of the Administration's advanced budget request.

Congress also included a requirement for the GAO to review the accuracy of the Administration's advanced budget projections. Pursuant to this law, the GAO issued reports reviewing the 2011 and 2012 advanced appropriations request for veterans' health care. It is my understanding that the 2013 report will soon be issued.

The GAO report has helped Congress and this Committee to evaluate the accuracy of the Administration's budget projections. It also ensures the VA is functioning based off of accurate information. And most importantly, this GAO review has provided Congress with third-party neutral assurance that the VA would not run out of money for veterans' health care.

Unfortunately, this GAO reporting requirement is scheduled to sunset at the end of the calendar year. While the GAO reviews have largely confirmed that the current Administration is budgeting sufficient sums for veterans' health care, I am concerned that without this review, future budget projections could be inaccurate and risk our ability to adequately meet the health needs of our men and women veterans.

We owe it to our current and future veterans to ensure the VA never again runs low on resources to provide health care to our veterans. They risked their lives to serve our country. Our job is to ensure that we take care of them at home.

Allowing this GAO review to sunset puts veterans' health care in jeopardy. We cannot take that risk. With the draw-down of forces in Afghanistan, we will soon see a huge increase in the number of veterans accessing VA health care. Now is not the time to eliminate the GAO review.

That is why in February, I introduced H.R. 806, which makes permanent the requirement for GAO to review the accuracy of advanced appropriation requests for veterans' health care.

Passage of my bill will help Congress continue to evaluate the accuracy of the budgeting process and most importantly ensure our Nation's veterans receive vital health care services.

I am profoundly grateful for the service and sacrifices made by all of our Nation's veterans and their families. As Members of this Committee, it is our duty to ensure veterans always receive the benefits they need in a timely and efficient manner.

Again, I would like to thank the chair and the Ranking Member and the Members of this Committee for considering this important legislation. I would also like to thank all of the veteran service organizations here today who fight every day on behalf of our Nation's veterans.

I look forward to discussing this legislation further and happy to answer any questions. And I yield back the rest of my time.

The CHAIRMAN. Thank you very much, Ms. Brownley. I appreciate the comments that you have made on H.R. 806.

I want to welcome our first panel to the table today. Mr. Robert Snyder is the Acting Assistant Secretary for the Office of Policy and Planning for the Department of Veterans Affairs. He is joined by two individuals. Ms. Helen Tierney is with him and Mr. Duane Flemming is with him as well.

Mr. Snyder, you are recognized for five minutes.

STATEMENT OF ROBERT D. SNYDER

Mr. SNYDER. Chairman Miller, Ranking Member Michaud, distinguished Members of the Veterans' Affairs Committee, thank you for your unwavering commitment to veterans and for this opportunity to testify on three bills related to VA's strategic planning, programming, and budgeting efforts.

In addition to the other two VA witnesses, let me also acknowledge the veteran service organizations here today. Their insights are always appreciated.

Mr. Chairman, I ask that my written statement be included for the record.

The CHAIRMAN. Without objection.

Mr. SNYDER. With the support of this Committee, we have improved our planning and resource allocation processes, but we know we can do better.

In regards to H.R. 813, Putting Veterans Funding First Act of 2013, the bill would extend the authority for advanced appropriations to all of VA's discretionary accounts effective in 2016. Such a proposal needs to be considered by the Administration as part of an across the government review of the advantages and disadvantages, not only for VA, but potentially for other departments and agencies.

Only in the context of a broad review could the Administration offer an opinion on making such a change. We cannot, therefore, offer a position on H.R. 813 at this time.

We very much appreciate the concern for veteran services reflected in the proposal and look forward to working with the Committee on how to best maintain the provision of benefits and services in light of fiscal uncertainty.

In reference to H.R. 806, the bill would establish a permanent requirement for an annual report by the comptroller general on the department's medical budget submissions. Congress established a temporary requirement in the Veterans Health Care Budget Reform and Transparency Act.

VA does not support making these reports permanent. VA has expanded the information presented in the budget justification volumes each year in order to be more transparent and to include additional information sought by Congress.

VA believes this information, as well as continuing congressional oversight and engagement by GAO, will ensure the transparency of VA's medical budget process.

In regards to the draft bill entitled Department of Veterans Affairs Budget Planning Reform Act, VA greatly appreciates the concepts in the bill as they have much in common with current VA initiatives.

For instance, VA has initiated a planning, programming, budgeting, and execution framework modeled after similar efforts used in other Federal agencies.

The department has embarked on its own quadrennial strategic planning process or QSPP, which we believe is consistent with the aims of the bill to formalize the strategic planning effort that will drive the five-year programming process and the near-term budget development.

The final results of our first QSPP, a new VA strategic plan for 2014 to 2020, will be published with the President's 2014 budget submission. We have already had productive briefings on the development of that plan with your staff, and will continue that dialogue as we finalize the plan.

VA's QSPP includes an environmental scanning and analysis phase and has some of the same general goals as the Department of Defense quadrennial defense review, although we believe an attempt to replicate the scope of the QDR is not appropriate for the VA.

The quadrennial veterans review proposal would also require a broader role for VA in developing a national veteran strategy. VA believes that its emerging work in futures analysis has the same intent as the QVR proposal, but a national veteran strategy would require broad analysis and policy development that would go well beyond VA.

VA has also been working towards building a multi-year programming capability. The secretary signed the future years veterans' plan covering the fiscal years 2015 to 2019 on April 30th, 2013 to document the results of our first true programming effort.

While we believe the intent of section 2 of the bill will be met by our emerging PPBE process, we do have reservations about a mandate to publish specific dollar and FTE projections beyond the budget submission.

We look forward to working with the Committee to address your oversight requirements in this process.

Section 3 of the draft bill would also require the designation of a chief strategy officer. VA strongly supports the bill's intent as these areas that are listed in the bill are being performed by the Office of Policy and Planning.

However, VA is hesitant to codify those responsibilities in statute because they may restrict our ability to tailor them as required in the future.

Finally in regards to section 4, VA has conducted self-evaluations and implemented numerous organizational changes in the office of the secretary and throughout VA.

For example, organizations were established within my office, the Office of Policy and Planning, to build the same capabilities that this proposed legislation intends to codify.

VA recognizes there is always more to do, but believes our existing planning processes are adequate to consider organizational changes.

Thank you for the opportunity to comment on these three important bills. We appreciate the Committee's attention to these critical topics as we work together to better serve our Nation's veterans.

Mr. Chairman, we look forward to your questions.

[THE PREPARED STATEMENT OF ROBERT D. SNYDER APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you very much, Mr. Snyder, for your testimony. We appreciate you being here with us today.

You cited in your testimony a need for an across the board government-wide review of the advantages and disadvantages of advanced funding as outlined in Mr. Michaud's and my legislation.

Needless to say, I am discouraged by that comment, and I guess from a little historical perspective, I want to know, what across the government review was done prior to the advanced funding for VA medical care being enacted.

Mr. SNYDER. Mr. Chairman, I am not familiar with what research was done before that legislation was submitted. I would be happy to take that and get that for the record.

The CHAIRMAN. Well, it was well over three-quarters of the funding and it appears that there is an issue with the Administration to go forward with the rest of those dollars. And it is much smaller than what we are talking about today.

So I am trying to figure out 86 percent of VA's discretionary budget is already advanced and now we are talking about 14 percent. So why the push back on 14 percent?

Mr. SNYDER. Well, Mr. Congressman, we certainly do appreciate the congressional support for the VA's advanced appropriations for medical care accounts. They have enabled multi-year medical budget planning and have ensured uninterrupted medical services for our veterans.

However, the proposal to expand VA appropriations to all of our discretionary accounts does need to be considered by the Administration for its impact, the precedent that it sets on other agency departments.

The CHAIRMAN. But isn't the precedent, I mean, isn't that already set? We have done that. I think we clearly say that funding for veterans' programs is separate and, I mean, it is protected from sequester.

There are unique differences between the funding at the Department of Veterans Affairs and all other agencies within the U.S. Government. And I am trying to figure out why the push back on 14 percent.

Mr. SNYDER. Again, Mr. Chairman, that is a—

The CHAIRMAN. Well, let me do this. Let me quote the President at the bill signing. Quote, "At this very moment, the VA is operating without a budget, making it harder for VA medical centers and clinics to deliver the care our vets need. It is frustrating for VA employees and it is frustrating for our veterans who pay the price when budgets are delayed. This is inexcusable, it is unacceptable, and it is time for it to stop," end quote.

So what about the sentiment the President expresses does not hold true for the other accounts?

Mr. SNYDER. Again, Mr. Chairman, I appreciate this Committee is eager to get a position on 813. But until the Administration conducts this across the government review, we cannot offer a position on it.

The CHAIRMAN. So today it is not inexcusable, it is not unacceptable, or it is excusable and it is acceptable and we do not have to stop the budgetary issue. I do not know.

I may be alone in what I am trying to figure out, but, you know, we took a huge swing at advanced funding for VA. And all of a sudden we are trying to protect this 14 percent.

It is frustrating when there is no full-year budget to manage the claims processing system, a system that we have all talked about, the massive delays that exist within that system, the veteran cemetery system, you know, the information technology systems as we move forward.

And just to hear, we have got to do a government-wide review of the impacts to look at the precedent which has already been set.

But with that, Mr. Michaud, you are recognized.

Mr. MICHAUD. Thank you very much, Mr. Chairman.

And thank the panelists for being here today.

You had mentioned that the current strategic planning is—you have adopted some other, I assume, the Department of Defense type model, but specifically as it relates to the VA, you have modified that proposal.

My question is, are you, when you talk about PPBE, how are your current PPBE efforts being received across VA and within VA leadership?

Mr. SNYDER. Thank you, Congressman, for the opportunity to comment on that.

In fact, we actually looked at DoD, DHS, NASA, and the National Oceanic and Atmospheric Administration for examples of models that we could look at. But as you mentioned, we do have to modify it to meet VA's needs, requirements, mission, and culture. And that is where we are working.

We feel that we have matured the process. We have done one programming cycle, meaningful programming cycle. We feel it is demonstrating the value to internal stakeholders of the department and we believe that those stakeholders are bought in so that their momentum and support for PPBE will transcend this Administration.

Mr. MICHAUD. You said you believe they are bought in. Are they widely and actively embracing the PPBE?

Mr. SNYDER. Yes, Congressman, they are. In fact, the reviews of our fiscal year 2015 budget proposal were based upon the programming decision memorandum that the secretary signed in April.

Mr. MICHAUD. Okay.

Mr. SNYDER. So that has been reinforced.

Mr. MICHAUD. To follow-up on Chairman Miller's comment on, in your testimony, you indicated that an across the board review, the advantages and disadvantages of advanced appropriation.

Who within the Administration is looking at that across the board review?

Mr. SNYDER. Mr. Congressman, I appreciate that you are anxious to get our position on this. I would like to take that request for the record and get back to you.

Mr. MICHAUD. So is the short answer no one is looking at it?

Mr. SNYDER. Sir, the short answer is I do not know—

Mr. MICHAUD. Okay.

Mr. SNYDER. —and need to get back to you on the record.

Mr. MICHAUD. Because if I remember correctly, the President actually supported mandatory funding during the campaign. And he made it clear that it would be in his budget when he presented it to Congress which he did not. It was because of the VSOs that we actually were able to get the advanced appropriation for VHA.

So it is consistent with what he said he wanted to do, so that is why I am kind of curious on who in the Administration is, you know, taking this review, if it is really being reviewed at all, which I, quite frankly, doubt that anyone in the Administration is doing that.

The other question that I have when you look at the, you know, the new framework and codifying some of the stuff that you are currently doing now, whether it is PPBE efforts or other areas, administrations change and if you look at what is happening over at VA recently with a lot of people resigning and retiring over at the department, my big concern is the fact that, you know, it is not going to be consistent.

And as Members of Congress, you look at the Department of Veterans Administration, the second largest Federal agency in the Federal Government, and we have got to have something, I think, in writing as we deal with VA's budget that will give us the information that we need so we can analyze whether or not the VA is going in the right direction, number one, as well as whether or not we can look long term to make sure that our veterans are getting the appropriate services that they need.

And so, that is why I am kind of a little concerned that you do not want to codify it in statute, so when it should be, actually you should be embracing that because you are not going to be there, you know, for the duration of VA and the needs for our veterans.

And so, I would like you to elaborate a little bit more why you are kind of hesitant to codify this into statute because it looks like you are doing some of it right now anyway, but you are not going to be there forever.

Mr. SNYDER. Thank you for the opportunity to clarify our position.

We certainly appreciate the Committee's intent behind this proposed legislation and your support for PPBE. Before codifying in statute, we just feel like we should do our jobs and codify in directive, internal directive, followed up by implementing guidance in a handbook.

And before we could do that, we had to mature the process to a point that we could codify that. We have gone through enough now that we think we can write that directive and we think we need one more cycle of the programming effort before we can codify the implementing instructions in handbook.

Again, we do think these efforts will transcend and have the buy-in to continue beyond the current Administration. It is not that we do not want to codify. We would like to codify ourselves before it is put in statute.

Mr. MICHAUD. Okay. Thank you.

I see my time has run out, but can you do it within three years, yes or no?

Mr. SNYDER. Yes.

Mr. MICHAUD. Okay. Thank you.

The CHAIRMAN. Mr. Snyder, you're accompanied by Ms. Tierney. Ms. Tierney, you're the Executive in Charge for the Office of Management and Chief Financial Officer. Would you be the person doing the government-wide review or would you be involved in it in one way or another?

Ms. TIERNEY. Sir, I would participate in it, but this is the Office of Management and Budget will be doing the review.

The CHAIRMAN. And how would you participate?

Ms. TIERNEY. I would advocate the VA position.

The CHAIRMAN. And that position is what?

Ms. TIERNEY. I am not able to comment on that at this time.

The CHAIRMAN. And again, now you just said, Mr. Snyder, that you couldn't have a position until you did a government-wide review.

Ms. Tierney, you just said your job was to advocate VA's position. If you—how can you advocate a position you don't have until after the review is done?

Ms. TIERNEY. Thank you, Chairman.

When the review starts, I anticipate that VA will be involved in that review.

The CHAIRMAN. And you will be advocating VA's position?

Ms. TIERNEY. Sir, yes, that is what I would do for VA, absolutely.

The CHAIRMAN. And so VA will have a position before the review is complete?

Ms. TIERNEY. Chairman, I believe that is correct, yes.

The CHAIRMAN. Okay.

Mr. Runyan?

Mr. RUNYAN. Thank you, Chairman.

I just want to not even ask a question, but give you a real-life scenario that I've experienced personally in my own district dealing with specifically the portion of the budget that is not advanced appropriated. I had an opportunity, a little over a year ago, to go to one of my CBOCs in the district, and going through the tour, empty room sitting there, had all been done, ready to take on a new X-ray machine which was already paid for and ready to be delivered, but the fact that the IT budget wasn't advanced appropriated, they were waiting on the wire to be ran down the wall to hook the X-ray machine to the computer.

We talk about access to care and we are arguing whether we are going to advance appropriate 14 percent of the budget and you're

holding up the ability for us to see seniors—see veterans and take care of them.

I just wanted to point that out to kind of validate the Chairman's—the Chairman's position on this, and with that, I'll yield back.

The CHAIRMAN. Ms. Brownley?

Ms. BROWNLEY. Thank you, Mr. Chair.

I just—and thank you, Mr. Snyder.

I wanted to sort of follow-up on your testimony vis-a-vis the VAO reporting and your statement about it—you don't support that it be permanent.

Is there any aspect of the legislation that could be changed to garner your support on this particular legislation?

Mr. SNYDER. Thank you, Congresswoman.

I think I'll defer to Mr. Flemming to respond to that.

Mr. FLEMMING. Thank you, Congressman—woman for that question.

We believe that the engagements that we have had historically with GAO have been productive and beneficial to VA, and we think that we benefit most when the reviews are of a focused nature.

Ms. BROWNLEY. Okay. And so you're saying that you would prefer to look at different issues within the report, is that what you're saying?

Mr. FLEMMING. Congresswoman, I would say that—

Ms. BROWNLEY. I mean the question was how would you—is there any way that you would change it that would garner your support?

Mr. FLEMMING. The reviews have—the temporary engagement of GAO with these reviews have been beneficial for VA. They have improved the transparency of the VA budget to include additional information that hadn't been included in our budget submissions and we continue to look forward to working with GAO on the—increasing the transparency of our budget submission.

Ms. BROWNLEY. And would you agree that in the past reports, correcting false assumptions in the calculations was beneficial to veterans' health care?

Mr. FLEMMING. Congresswoman, I would say that the—as in the—noted in the GAO reports, that medical care budgeting is as recognized by GAO as inherently complex from the long lead time that is required to develop our budget, and the budget reflects the best assumptions at the time we make that first budget.

And through the iterative process, we have the opportunity to revisit those assumptions and with more recent experience, we are able to further refine and improve our budget estimates.

Ms. BROWNLEY. Thank you.

Would you agree that with the draw down of forces in Afghanistan and we are going to have many more veterans returning, many more veterans returning with more medical issues probably in the history of our country, that some of those assumptions may change and the accuracy of those assumptions are very, very important in terms of anticipating a much greater number of veterans returning. I mean, I strongly believe that in some sense we are going to be tested about how well we serve our returning veterans coming back from Afghanistan with so many medical issues.

Do you believe that that accuracy is important?

Mr. FLEMMING. Thank you, Congresswoman.

That is an excellent question, and, yes, I would say that we also agree that the assumptions regarding the different characteristics of the various cohorts of veterans whom we serve are very important, and we constantly seek to understand the characteristics of the returning combat veterans so that we can best prepare to deliver the services that they so need.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I yield back.

The CHAIRMAN. Dr. Roe?

Mr. ROE. Thank you, Chairman, for yielding.

If I look around the room, there were five of us in this room: Mrs. Kirkpatrick, Sergeant Major Walz, myself, Mr. Michaud, Mr. Miller. We are here for the advanced props debate that we first started when, I guess, Chairman Filner and Ranking Member Buyer were sitting in those chairs over there, and I had to be convinced because all of my political background as a mayor and so forth had been on a yearly budget.

I think it's been wildly successful. I talked to my local VA people at home and they loved the advanced appropriations, knowing what their budget is going to be for two years. And I was hoping that the VA would set the example and model for the whole government. I really think we ought to—many states do a bi-annual budget now—Texas is one that comes to mind—and it stops all of this silliness we do every—it seems like every other day here.

We started the budget, again, in the fall and I think the VA—I can't imagine why you wouldn't embrace that. I can see no logic for your reason to oppose what the Chairman just talked about. I truly don't. When something's working, the VSOs wanted it and it turns out that they were absolutely right, it has worked very well. So that come September 30, a VA doesn't know whether they can hire a nurse and they know they can now.

As Jon talked about, I mean how silly is that not having a wire ready because of a budget hiccup? So I would like to know why you wouldn't. I haven't heard a reason yet to just—with all of the positives that we know that have happened—and we had this debate, I recall it very well, right in this room and we went through on this advanced appropriation—so I'll turn the floor over to you.

Mr. SNYDER. Well, Mr. Congressman, thank you.

Let me clarify, we are not stating that we are opposed to the bill. We are stating that we do not have a position today on the bill. And, again, this is—we do not have a position until we can—the Administration can complete this across-the-government review. The implications that this kind of multi-year appropriations would have on the rest of the government, besides VA. So, again, we are not stating that we oppose the bill.

Mr. ROE. Let me make sure that I understood what you just said. You're not for it or you're not against it?

Mr. SNYDER. We are not taking a position today, sir.

Mr. ROE. Okay. And the reason you're not taking a position when you know that 86 percent of it works just fine is because of what?

Mr. SNYDER. The Administration needing to do an across-the-government review, what those implications mean to other programs and other agencies besides the VA.

Mr. ROE. And when will that be due? When will we have that information? Will it be in my fourth or my fifth term? And I am in my third term now.

Mr. SNYDER. Sir, I know this Committee is very eager to get our position, but I am not in a position to comment on—to speculate on when that timeline might be done for the review.

Mr. ROE. So it may be infinity? We don't know when it will be?

Mr. SNYDER. Sir, I do not know.

Mr. ROE. I yield back.

The CHAIRMAN. Mrs. Kirkpatrick?

Mrs. KIRKPATRICK. Thank you, Mr. Chairman.

Mr. Snyder, as Dr. Roe mentioned, I was on the Committee in 2009 when we authorized the advanced appropriations and it was supposed to be a paradigm shift for the VA. And please keep in mind that every Member of the Committee wants the VA to operate as efficiently and as effectively as possible because that is what our veterans deserve.

And so you're here today to tell us that you can't tell us the advantages or disadvantages of the advanced appropriation paradigm shift; is that correct?

Mr. SNYDER. Congresswoman, let me affirm that we also want to work as efficiently and effectively as possible, and we can't comment on the impacts that the multi-year appropriations has had on our medical care accounts. I can defer to Mr. Flemming or Ms. Tierney and they can comment.

Helen, did you want to comment on the effects of the multi-year appropriations?

Mrs. KIRKPATRICK. Excuse me, we—we realize that, but it's that other—that 14 percent that the Chairman talked about that you're not willing to go forward on, and it is puzzling.

And so I just want to know, are you not seeing improvements in that area?

Mr. SNYDER. We have seen improvements.

We are very appreciative of the multi-year appropriations that we have for our medical accounts. It does enhance our ability to plan for our medical budgets. It does ensure uninterrupted services for our medical accounts. But we cannot take a position on the extending of those authorizations or appropriations to our other discretionary accounts at this time.

Mrs. KIRKPATRICK. Until you do the government-wide review.

And whose decision was that, that there had to be a government-wide review before the VA could take a position?

Mr. SNYDER. That is the Administration's position, ma'am.

Mrs. KIRKPATRICK. The VA Administration—the Presidential—I mean—who—what do you mean by the Administration?

Mr. SNYDER. I really can't get into the internal decision-making, but we are—have been required to take a broad view, a government-wide view of what the implications are on these changes for the government at large.

Mrs. KIRKPATRICK. Well, maybe you can answer this for me, what exactly do you mean by a government-wide review? Does that

mean every—every governmental agency in this country has to report? I mean what exactly does that mean?

Mr. SNYDER. The Federal Government. The Federal agencies and departments will be involved in this review.

Mrs. KIRKPATRICK. Can you tell the Committee which ones?

Mr. SNYDER. Ma'am, that is really beyond my scope of expertise and responsibility. I will be happy to take that question for the record.

Mrs. KIRKPATRICK. Well, it is a little frustrating, Mr. Snyder, and please excuse my frustration, but I thought the whole point is that we are able to serve our veterans, and as Dr. Roe said, how long do we have to wait for this?

But let—let me just condense it in terms of the VA. Has the VA started its review, because I am assuming that the VA is going to have to report to OMB as part of this government-wide review.

Suppose agencies haven't even started this process. How long is this going to take?

Let me just condense the two, what is the VA doing in terms of their piece of this review?

Mr. SNYDER. Congresswoman, until this larger Administration review is done, I cannot comment.

Mrs. KIRKPATRICK. I am sorry, Mr. Snyder, but aren't you part of the larger Administrative review?

Mr. SNYDER. We will be.

Mrs. KIRKPATRICK. Okay.

Mr. Chairman, I am frustrated, so I guess I'll—let me ask one other question.

In terms of your—your strategic planning and—and programming, you said that you modeled that after other agencies. Can you tell us what agencies you used to model that?

Mr. SNYDER. We took lessons learned from other agencies—I wouldn't say that we modeled it—we took the lessons learned from various agencies including DoD, DHS, NASA, and others, but we really got to modify this to fit the VA. And we found that this is more of a change management or a culture change, as opposed to a technical solution.

So we've taken lessons learned, pieces from various agencies—I think they do well and don't do well—but we are really trying to adopt something that works in our environment and the three Administrations that we support.

Mrs. KIRKPATRICK. Well, to end on a positive note, I commend you for that.

And thank you, Mr. Chairman, I yield back.

The CHAIRMAN. I think for the Committee's knowledge, this—this bill that everybody seems to be focusing on right now, in addition to the other two pieces of legislation, it was filed in February.

The Senate—there is a Senate companion that's out there and VA testified before the Senate two months ago on the bill, and so I think what's frustrating to all of us is that we are still having witnesses come to us and tell us there is no position.

To further expound, we are talking about a, you know, roughly, \$150-plus billion dollar budget. This bill deals with about \$8 billion dollars and for some reason, there is a hang-up and we are going to find out what it is from these witnesses or somebody.

I can't for the life of me figure out why they would not want to jump at the opportunity to expand on what has already been described by many here and many veteran service organizations and the Department probably itself, has been widely successful that we did the two-year advanced appropriations.

So I am—I am just as frustrated, Mrs. Kirkpatrick, as you are, but we will continue to prod and ask questions.

Mr. O'Rourke?

Mr. O'ROURKE. Thank you, Mr. Chairman.

And I appreciate your convening this hearing and the work that you and the Ranking Member have done, especially your bringing these issues to our attention and I fully support H.R. 813. It makes a lot of sense.

I have the sense that you support it, too. I mean the logical conclusion of some of the things that you have said about the 86 percent of the VA's budget that is working so well would lead me to believe that you think this would be a good thing for the rest of the VA, the remaining 14 percent, but that you are prevented from saying so, unfortunately, by the Administration.

So, I want to—I want to—we clearly have your unclear statements on 813 that you can't take a position.

On 806, you are supportive?

Mr. SNYDER. No, sir.

The VA does not believe that those provisions need to be made permanent in statute.

Mr. O'ROURKE. And the VA Budget Planning Reform Act, the draft bill, you said you agreed with the intent and the goal, but had some problems with some of the means and methods. Are there any improvements to that, that you could recommend that would lead you to be supportive of it?

Mr. SNYDER. Again, the main issue with the proposed bill is that we think many of those provisions need to be codified by directive and internal documentation, and another—at least one more cycle of PPBE conducted within the Department before we try to codify things in statute.

PPBE within the VA and the various processes are at various places in maturity and we think we need to level that out and get more maturity in all phases before that is documented in statute.

Mr. O'ROURKE. And then for you or for Ms. Tierney, to follow up on Mr. Runyan's anecdote about the facility that has everything except for the cabling or fiber that needs to be run to connect it, how—how do you resolve that disconnect right now in the VA when you have the advanced appropriations for so much of what VA needs and you're dependent upon something in that other 14 percent that is not there right now?

How—how widespread are the problems that Mr. Runyan highlighted with his—with his anecdote and how do you resolve them?

Ms. TIERNEY. Thank you, Mr. Congressman.

There are, indeed, sometimes disconnects with having advanced appropriation and having other parts of the organization under a CR. When the budget is eventually passed, we are able to do the new work. We are able to do—continue doing the same work that we did the year before under a continuing resolution, but it does make for some disconnects.

Mr. O'ROURKE. And the last thing that I'd say is I've only been here for a little over six months and I have found this Committee to work in a very bipartisan fashion, in a very supportive fashion of the VA, and I think we all—all of us want to get to the same place and deliver the best quality care and service to the veterans who served this country.

And I know that you do and I think you know that our Committee does, and so I think we all want to work cooperatively, but it is obviously very frustrating and very difficult when we can't get a clear response on an effort made by the Chairman in this Committee to improve your ability to deliver those services to the veterans. So, hopefully, we can rectify that soon and I want to continue to work cooperatively, but this is, as you've heard from everyone, a very frustrating experience, so, thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. O'Rourke.

And I also would like to clarify the record. My comment about eight billion over ten, it's actually eight billion for one year.

Mr. Walz?

Mr. WALZ. Well, thank you, Mr. Chairman and Ranking Member. Thank you all for being here.

Advanced appropriations was a cause of mine for many years. I am proud of the work that we did on it and I think Dr. Roe was right; there was some skepticism here because the charge leveled was government on autopilot and we wanted to be concerned that that wasn't the case and we wanted to make sure that we got it right.

I guess my frustration, like I stated—there is drama here today that doesn't need to be drama. That is very frustrating and I am trying to get at it and I understand the constraints you're under from the Administration's position.

If you could take back anything, they don't need drama in this. We are with you. We are there. We are getting this. We want to help.

If there are concerns about this final 14 percent—and Mr. Runyan's case is exactly right and I've heard that from other medical facilities—having the two disconnected is just plain stupid and it should be in here, one way or another.

So, I get it that you're not going to be able to tell us. I get it that you're going to say that, but we've got 1,300 Federal and State programs helping veterans. We've got 40,000 non-profits in this country. It makes sense to have a rational coordinated plan to use our resources wisely to deliver care for veterans; that is all we are trying to get at.

So I won't ask where, I know that you're not going to be able to answer, but if you could take back a message. There is no need for drama in the service of veterans, help us figure this one out.

I yield back.

The CHAIRMAN. Thank you very much, Mr. Walz.

Mr. Runyan, did you have any other questions?

Mr. Michaud?

Mr. MICHAUD. Just one.

So, run us through the process, Mr. Snyder. When you come before our Congress, you have to submit your testimony to OMB; is that correct?

Mr. SNYDER. That is correct, Mr. Congressman.

Mr. MICHAUD. Does OMB have to approve your testimony? Mr. SNYDER. They do.

Mr. MICHAUD. And if they don't, do you have to modify it to their liking?

Mr. SNYDER. That is correct.

Mr. MICHAUD. Okay. Mr. Chairman, it might be worthwhile maybe in September, to haul OMB in here and see how they are coming along with their big vision, how they want the government to look at this advanced appropriation, because I am sure by September they will have a lot of progress.

And maybe we ought to get the timeframe when they started it and where they want it to move forward, because I think Tim Walz, Congressman Walz is absolutely right. Why OMB does not want this is just amazing since it is a small portion of VA budget, and if this truly is a top priority of the President, the First Lady, then I don't know why OMB is taking a contrary position of what they are at least saying publicly about supporting veterans.

So, hopefully the Administration will get on the same page, and whoever it is over at OMB that wanted the testimony to be changed, if it was, in fact, changed, I think we ought to find out and see where they are coming with this whole process.

The CHAIRMAN. Thank you very much.

Members, any other questions?

To the witnesses, thank you so much for being here with us today.

Some of us probably will have some questions that we want to submit to you as a follow-up. We would appreciate a timely response. You may or may not be aware this Committee now has a site on its Web site, posted "trials and transparency." It specifically deals with the almost 100 requests that we now have from this Committee forwarded to the Department of Veterans Affairs that we have yet to get an answer for.

And, again, I think a timely response is within 30 days. So, expect if we don't get a response that you will join your cadre of friends at the central office as stars of "trials and transparency."

Thank you. You are excused.

And as they are moving, if we could ask the second panel to come forward.

Mr. CHAIRMAN. Okay. Thank you to our second panel of witnesses. And I am going to run through this rapidly, but I want to thank you for being here today and on behalf of the *Independent Budget* co-authors, we are going to hear from Carl Blake with the national—the National Legislative Director of the Paralyzed American Veterans—Veterans of America. Mr. Blake is accompanied by Adrian Atizado, the Assistant National Legislative Director at DAV; Ray Kelley, the Director of National Legislative Service for Veterans of Foreign Wars; and Diane M. Zumatto, the National Legislative Director of AMVETS. We are also going to hear from Mr. Louis Celli, the Director of the National Legislative Division of

The American Legion. With that, again, I say thank you very much for being here.

Mr. Blake, you are recognized for five minutes.

STATEMENTS OF CARL BLAKE, NATIONAL LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA, ACCOMPANIED BY ADRIAN ATIZADO, DISABLED AMERICAN VETERANS; JOY ILEM, DEPUTY NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; RAY KELLEY, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS; DIANE M. ZUMATTO, NATIONAL LEGISLATIVE DIRECTOR, AMVETS; LOUIS J. CELLI, JR., DIRECTOR, NATIONAL LEGISLATIVE DIVISION OF THE AMERICAN LEGION.

STATEMENT OF CARL BLAKE

Mr. BLAKE. Thank you, Mr. Chairman.

Before I begin, Mr. Michaud, I would like to say if you get OMB on a panel here in front of you in September, we would really like to sit on the dais with you because I am sure we have as many questions as you do.

On behalf of the co-authors of the *Independent Budget*, AMVETS, DAV, PVA, and VFW, I would like to thank you for the opportunity to be here to testify today.

First, let me express our sincere thanks to you, Mr. Chairman and to Ranking Member Michaud, for taking the lead on this issue of funding for VA and introducing H.R. 813. It certainly makes sense.

We've seen the benefits that have been reaped by the Veterans Health Administration by being removed from political bickering and partisan fights that have basically hamstrung the ability to do the work of the Federal Government or of the Congress.

As such, the *Independent Budget* wholeheartedly endorses H.R. 813 and we are committed to work with you and with the Senate to see this through to final enactment.

Similarly, we would like to thank Ms. Brownley for introducing H.R. 806, that would make permanent GAO reporting a requirement. This legislation actually reflects an explicit recommendation included in the *Independent Budget* for fiscal year 2014 and as such, we wholeheartedly endorse that as well.

With regards to the draft bill, the Department of Veterans Affairs Budget reform—planning Reform Act of 2013, I would like to thank you, Mr. Michaud, for placing an added emphasis on the need for meaningful strategic planning with the VA; however, at this time, the *IB* has no formal position on legislation and we do have some concerns that we outline in greater detail.

First, we are not yet certain that a strategic planning framework designed specifically for the Department of Defense, the QDR, and similarly, for the Department of Homeland Security and the QHS—or QHR, I am sorry—would be appropriate for the VA. I think the VA sort of outlined that concern as well.

There are obviously fundamental differences between the missions of the Department of Defense and the VA and also between DHS and VA. They raised concerns about whether VA should be required to use the same planning structures and methods de-

signed specifically to evaluate DoD's future roles in missions. And while worldwide threats and missions associated with those threats are always evolving, requiring constant review and re-evaluation by DoD and DHS, the fundamental roles and missions of the VA and veterans' policy in general rarely, if ever, need to shift so quickly or dramatically based on external events or influences.

And while Presidential elections may often lead to large swings in national security policy, our Nation's longstanding commitment to veterans has remained clear and steadfast for 150 years.

Second, it's not clear whether the creation of a future year veterans' program will lead to either more transparent or more accurate budgets or appropriations. Although the QDR and the QHR are readily available online, it does not appear that the FHDP or FHSP—HSP are similarly available, calling into question the transparency that might be produced by this legislation.

In fact, the VA just testified and included in their testimony that they had submitted this year their first FYVP. Where is it? Has the Committee seen it? I know we haven't seen it, so there is already a concern about transparency and doing a future year veterans' program.

I know the intent of the legislation, I think, is to overcome that hurdle and if we can be convinced that that were to be the case, then that would certainly move us towards the area of support for the legislation, but we still stand with no position at this point.

Similarly, there are significant unanswered questions concerning the role of the Office of Management and Budget, which we've already hashed out in the previous panel. Since the draft bill requires that the Administration's budget be consistent with the FYVP budget estimates, would OMB have a direct or indirect ability to revise or constrain the budget and appropriations levels contained in the FYVP?

In setting out policy guidance to the individual program offices, the secretary is required to inform them of resource levels projected to be available as they make their budget estimates.

Would these levels come directly or indirectly from OMB? We already know that on some level that is what happens, but I'm not sure that this process would necessarily draw that out even further.

Until these questions and the ones that are included in our written statement are better addressed and satisfactorily answered, we will withhold our support for the legislation.

That being said, Mr. Michaud and Mr. Miller, we certainly appreciate the extreme amount of time that your staffs have spent with us over the last couple of weeks in hashing out this legislation in particular, and helping us get a better understanding of the long-term intent of the legislation. And we feel confident that if we continue to work together, we can come to a final agreement that would probably lead us in the direction of some level of support, but we would still like to get some better answers to our questions.

That being said, I'd be—we would be happy to answer any questions that you might have.

Thank you.

[THE PREPARED STATEMENT OF CARL BLAKE APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Mr. Blake.
Mr. Celli, you are recognized for five minutes.

STATEMENT OF LOUIS J. CELLI, JR.

Mr. CELLI. Thank you.

America's veterans deserve sufficient, timely, and predictable funding for VA programs. We would certainly like to echo the Chairman's opening comments when he described how the entire country has watched the budget squabbles and territorial land fighting of Congress over the last several years.

We are proud to say that this Committee has steadfastly risen above the fray and maintained a bipartisan spirit of cooperation between the veterans—with the veterans—with veterans' programs still suffering from the specter of government shutdowns, sequestration and a bitterly divided budget landscape that has led to stopgap continuing resolutions in the place and passage of real budget legislation.

Chairman Miller, Ranking Member Michaud, and distinguished Members of this Committee, on behalf of Commander Koutz and the 2.4 million members of The American Legion, I thank you and your colleagues for the work that you do, and especially your bipartisan dedication for getting it right, for the American veterans and their families.

My remarks this morning reflect the overview of The American Legion's full statement for the record, which is provided as part of our witness testimony. When Congress passed the Veterans Health Care Budget Reform and Transparency Act in 2009, the intent was quite clear, ensure sufficient, timely and predictable funding to care for those who have worn the Nation's uniform. The key improvements was the authorization of Congress to approve investments in medical care for veterans one year in advance to allow VA to more effectively plan for the future and ensure veterans would get the quality care that they have earned. And The American Legion, together with our VSO partners, aggressively worked with Congress to make this happen.

Over the past couple of years, The American Legion has come to recognize how important it has been for VA to be included in advanced appropriations and certainly sees the wisdom of this Committee to include the remaining VA accounts in this process.

We also want to be clear about one thing. The advanced appropriation does not insulate VA or veterans from the total effects of sequestrations as commonly thought. Future VA budget authorizations are still subject to budget caps in accordance with the Budget Control Act, which could reduce the assistance that we are able to provide our veterans and disabled veteran population.

So The American Legion strongly supports the passage of H.R. 813, as it takes yet another important step toward protecting the promise this country has made to our Nation's veterans, to care for those who have borne the battle.

While The American Legion is unable to take a formal position regarding the draft legislation, the Department of Veteran Affairs Budget Planning Reform Act of 2013, because the proposal is too new for us to have had the opportunity to evaluate it through our

commission process, and, therefore, do not have a resolution that speaks to this initiative.

I'd like to touch on a couple of the provisions that we've highlighted in our testimony and that will be the main topic of our discussion among our voting members. The American Legion is a conservative organization, fiscally conservative organization, that firmly believes in a strong planning process. We think that the fundamental reason that this legislation was introduced is sound. That much we support.

When VSOs hear a proposal for yet another commission, I have to be honest with you, we groan. Because we work day in and day out with your Committee staff members and commissions always seem to seek to pull in folks that aren't in the daily process of working with you and we wonder where do we fit in. So those are one of the concerns that we have. And we just want to make sure that we are not developing yet, another paper tiger, as we've discussed with your staff. So these are some of the things that our members are going to be discussing.

I want to thank you for inviting The American Legion to share our thoughts on these positions and these important pieces of legislation. We definitely look forward to working together, and we, too, are very frustrated with the VA's position of not being able to support advance appropriation. And if we look back at history, we will see that the first time advanced appropriation was discussed in this chamber, VA also took no position, yet they seemed to really enjoy the benefits of that today.

With that, I yield back the remainder of my time. Thank you.

[THE PREPARED STATEMENT OF LOUIS J. CELL, JR. APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you very much for your testimony.

I'll give myself five minutes for questions.

And if I recall, the President, actually in the '08 election, he ran on advanced appropriation. So there, very clearly was a position being taken by this current Administration—albeit he was a candidate at that time—but I don't remember near the hesitation and most of you at the table were here during that time.

Does anybody remember the kind of hesitation that we heard from the first panel? Anybody?

Mr. BLAKE. Maybe from a Member of Congress, but certainly not from the Administration.

The CHAIRMAN. Mr. Blake, you may recall that when the original advanced appropriation bill made its way through the Congress, that both the IT and medical research accounts were included in the House-passed version of the legislation. Your testimony regarding these two accounts reaffirms that position.

Explain to us why these two accounts, in particular, compliment the existing medical care accounts.

Mr. BLAKE. Well, I think Mr. Runyan clearly sort of laid out the importance of IT and its role as it relates to health care, particularly with the way that VA delivers state-of-the-art health care with its electronic health record and everything now. And absent, some of the structures in place as new health care services come online, obviously that could be negatively impacted on the IT side.

On the research side, you have a lot of overlap where providers are also researchers and a lot of the work, there is a lot of cross-over, and so you can have an impact on their daily activities based on the fact that while—they deliver care, in some settings they also do research.

So I think—I think, honestly, and we are all on record, I think, as saying that it makes no sense for all of VA not to be an advanced appropriated—if they could just get it out of the political wrangling that is going on every single day here on the Hill.

The CHAIRMAN. If anybody—but, again, Mr. Celli, Mr. Blake, you can comment from a facility standpoint. I think a strong argument can be made that with advanced funding of construction projects, better planning could occur and contracts could be awarded in a timely fashion with the potential result of being on time, being on budget, and I think that would be a welcome change in—in this process, but what are your thoughts on the construction side?

Mr. KELLEY. It could absolutely be very helpful. I don't know if it's going to make them on time or under budget or on budget; it would be setting them in the right direction, though. There is continual overlap. There are layers of these construction projects that can get delayed because of budget stops. It's very important for construction to be advanced appropriated.

Mr. CELLI. Now, I would also like to add that the VA saw fit to try to project what the rest of the Federal Government was going to do with regard to advanced appropriations, but with regard to them being able to establish contracts and work with the small business community in an economic climate that is just now trying to get back on its feet, the impact that the VA has when it comes to contracting, especially through construction, there are billions of dollars that filter into our communities, and if those dollars can't be counted on by small businesses that are in the business of working to supply the government with their needs, then they can't count on keeping their businesses viable and prosperous either.

So the advanced appropriations gives the VA the opportunity to be able to plan for these projects, to be able to tell the contractors that we are going to start a particular project on a date that we've agreed on and then get them paid in a timely manner.

The CHAIRMAN. Let me read you just a real quick portion of the President's signing statement.

"The new medical equipment that isn't purchased. The construction of new facilities and clinics that isn't started. The new programs for medical care that are delayed." So even the President, I think, in his signing statement—albeit, the construction side did not apply—I think he is agreeing that that is a good thing, that we would advance and move in that direction.

Mr. Michaud?

Mr. MICHAUD. Thank you very much, Mr. Chairman.

In my closing—opening statement, I mentioned change is hard and not everyone will be comfortable with the changes, I know, in the draft legislation, and I think there is also some misconception about it.

Mr. Celli, you mentioned we will need another commission. It's not a commission. It's—and I am glad that The American Legion is looking at fiscal matters because that is what the whole idea be-

hind this is, is to force VA, Members of Congress, the VSOs, to look forward, to plan ahead, so that we will not be wasting money and that is the whole idea, but it's not a commission.

You also mentioned, Mr. Celli, the concern about the VSOs and what role they play. Actually, this legislation is very clear. VSOs will—are called out specifically for their participation in this process, but it's not only the VSOs and it shouldn't be only the VSOs as it relates to this process. So I know that change is hard.

Mr. Blake, you had mentioned in your opening statement about DoD. The legislation does not require the DoD process for VA. And as you heard, the VA actually does a similar process—it's not the model that DoD and DHS has—but it follows some of the areas that they're focused on, that long-term planning that has to happen. So it doesn't require them, and it shouldn't require them, to follow the DoD, the DHS process.

You had mentioned also, Mr. Blake, when you look at future year program for other departments that are available for Congress, both DoD and DHS are classified and that information is not public. So the whole idea behind this is to force VA, Congress, and veterans' organizations, and other groups to look forward in their long-term planning.

And I know that change is hard, and I would encourage each of you to look at what the actual bill, draft bill, does; not what you anticipated that it might do, because it is something that hasn't been done before. It's a new approach as it relates to the Department of Veterans Administration. But the Department of Veterans Administration, it's the second largest Federal agency and we got to do a better job in making sure what finite resources that we have to spend to provide the services for our veterans and their families, that that planning is in place and that hasn't been done before.

Unfortunately, we have been dealing with crisis mode after crisis mode, whether it's dealing with the Veterans Health Administration, now dealing with the veterans' benefit side, as far as the backlog, and the whole purpose of this legislation is to codify some of the stuff that VA is currently doing, but also to look at that long-term prospective of how we are going to take care of our veterans and their families long-term, and it really focuses on thinking outside the box, and that is what it's all about.

So I would encourage each of you to really look at it, to work with our staffs as we move forward in this regard, and to think long-term, as far as where we are going to go to help support those who wore the uniform protecting this great Nation of ours.

Now, I know that the realm of budgeting might not be a sexy topic because we just look at the bottom line, whether they got the money or not, but we do have to do a much better job in moving forward in this regard and provide the services that we need for our veterans.

And just hearing the two testimonies earlier, there is some misconception about what it does, and what you both said as far as the commission or DoD process is not actually what the bill does and that is why I encourage you to continue to work with our staff so that we can move forward.

And I appreciate all that your individual organizations are doing to hold the VA accountable, as well as Congress accountable. I look forward to working with you as we move forward with the Chairman's legislation, with the advanced appropriation for all VA because I think it's absolutely the right way to go, and I feel confident that my colleagues will agree so also.

As far as OMB, I can't wait to see what they have to do, and I agree with Mr. Blake, if we do have OMB in here, I suggest we might want to put them under oath as well so we—so we can hold them accountable for what they are saying before this Committee.

So with that, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Thank you very much.

Dr. Roe, with your indulgence, I would like to recognize Dr. Wenstrup.

Oh, Dr. Roe?

Mr. ROE. I thank the Chairman, and thank you all for being here.

And I think the last paragraph of the testimony here from Mr. Blake, I think pretty much says it all. We believe that our Nation has no higher obligation than to ensure that the men and women who have served in our Armed Forces receive all the benefits and services owed to them in a timely manner. This legislation will help guarantee that promise is kept. I think that is all that needs to be said.

And I appreciate, first of all, all of your service, and then the support that you've given. I think—as I said just a minute ago, I think that the VSOs that pushed for this, and four years, ago, I guess, when we had this debate in this very room, I think it's been a resounding success. Everything that I've heard at home from our local VA Medical Centers has been very positive, and I can't imagine why we wouldn't—and Mr. Michaud has said this and the Chairman has said this, why we wouldn't just do this.

And I told the secretary, I said I want you to be sure that this works. I remember having the conversation with him because I think this can be a model for the entire Federal Government. It's so big now, why don't we do a lot of advanced props over two years and then take the second year we are here and fine tune these things and get it right, instead of having to go through the same process again and come 30 September, you have to shut something down because we haven't done our job here.

And think about all this CR and all this nonsense that we've done, the one shining part of the budget's been the VA because it hasn't been affected. The money's been appropriated and ready.

So I don't have any questions. I will certainly yield to you all, if you want to comment about it, but I appreciate your testimony and your support for this—for now four years that I've been here.

The CHAIRMAN. Ms. Brownley?

Ms. BROWNLEY. Thank you, Mr. Chair.

I just wanted to take the opportunity because I haven't stated so far how much I support your bill today, H.R. 813, and that is why I am a co-author of the bill. And I certainly believe it's the right thing for us to do at this moment in time.

And of course I am focusing a little bit on H.R. 806 because I want to get the bill right and would love to work with you on that

to make that happen, and I think it can be an important compliment to the direction of H.R. 813.

So, having said that, I will continue to question around H.R. 806 which leads me to ask a question to Mr. Blake.

And Mr. Blake, I appreciate your testimony and support of H.R. 806, and I was just wondering if you could expand a little bit on your testimony and just inform us a little bit about why the PVA supports making the GAO review permanent.

Mr. BLAKE. Thank you, Ms. Brownley for that question.

First, it's not just PVA. The *Independent Budget*, as a larger entity of the four organizations endorses the legislation. As I mentioned earlier, it's a specific recommendation in this year's *Independent Budget*. You know, I think we've seen—I can make an argument that we wish GAO would go even a little farther in their reporting when they've done their reports on the advanced appropriations.

But every year that they've provided a report, they've clearly identified where there were deficiencies that existed. The most glaring has been in non-recurring maintenance which seems like a small and unsexy thing, but it has a direct upwards connection to medical care because it's still in the medical facilities portion and it drives a lot of the larger funding assumptions and plans for VA, and then, ultimately, it has an impact on construction and things like that.

So GAO has dug in and found some things and brought to light issues that the VA—that we would probably never seen otherwise, or we might have questioned without any real solid evidence, so they provided us with an opportunity, and we believe—it seemed like to me, the VA said—and I know it's in their testimony—that they have had benefit from having an interaction with GAO and this reporting requirement.

So if they reap the benefit from it, I'm not sure that there is a downside to continuing to do it. But apparently, they have—they reaped the benefit, but they don't want to do it anymore, at least that is the way their statement seemed to suggest. But from our perspective, it's certainly something that should be continued.

Ms. BROWNLEY. Thank you.

And Mr. Celli, in your testimony I—I'm not sure that you stated it, but I think in your written testimony you noted that The American Legion has really no official position on H.R. 806.

And so I am just curious to know, has the Legion reviewed the GAO reports and did the Legion find the reports useful in the past?

Mr. CELLI. Thank you, Congresswoman Brownley.

And we have reviewed the GAO reports. We do find them to be a benefit, and the reason that we weren't able to take a position at the time is because this is such a new piece of legislation that we haven't had a chance to put it before our commission to get a resolution. As a resolutions-based organization, we carry forth the will of our membership, as do you with your constituents. I can tell you that, again, as a predominately, fiscally conservative organization, we like good things. The GAO report is a good thing. VA being required to look ahead to spend their money in a prudent manner, to be able to plan for good programs is a good thing. The American Legion is always going to support that.

When it comes to officially supporting the bill, we need to run it through our commission, get a resolution on it, which we have our annual meeting coming up in the end of August and I am sure at that time, a lot of the bills, that we weren't able to take positions on formally will then be codified and we will be able to tell you one way or the other where we are going to come down on that.

Ms. BROWNLEY. Thank you, sir.

And I yield back the balance of my time.

The CHAIRMAN. Mrs. Kirkpatrick?

Mrs. KIRKPATRICK. Thank you, Mr. Chairman.

My question is really—I want to hear from each member of the panel, and I thank you for being here today and thank you for your service and commitment to our veterans.

Regarding the VA's current budget submissions, do you feel that there is sufficient detail for you to adequately represent your memberships? And let's start here on the right-hand side and then just go over to the left. I would just like to hear, specifically, to—to whatever groups that you are serving.

Ms. ZUMATTO. Thank you for the question—sorry—I am not sure that I quite understand what it is that you're looking for, however.

Mrs. KIRKPATRICK. Do you feel that the current budget submissions by the VA has adequate detail or would you recommend that there be additional items of detail put into the current budget submissions?

Ms. ZUMATTO. I would say that budget is not my area of expertise as far as the *Independent Budget* body is concerned, but just from my point of view, it does seem that we are provided with quite a bit of information. I don't know, you know, what is not being included, per se.

So, at this point, I would just say that, you know, we get quite a bit of information and we—we appreciate that, and we just follow every—you know, everything that is happening. We know what the issues are and we hope that, you know, that the budget is going to be able to meet the needs of our veterans.

Mrs. KIRKPATRICK. Mr. Celli?

Mr. CELLI. Thank you.

And that is an excellent question because the budget is so massive that I don't think that there is any single organization, non-profit organization, veterans' service organization, that can fully analyze the complete budget. So what we do is, we end up looking at those portions of the budget that apply to the programs that we are intimately involved in.

With respect to that, there is always going to be a level of detail that we are going to want to ask more questions on and we've been pretty successful in working directly with the program offices of the Department of Veterans Affairs to get the answers we are looking for with regard to their budget requirements and what it is that they plan to pay for with those dollars.

Some of the other stuff like construction, I'll let my colleagues address.

With regard to VDA, with regard to, you know, looking at specific line items, it really—you know, it's a difficult and long process which is why, you know, we have hearings on it. And then we not

only look at the VA's budget, then we look at the proposed budget from each of the chambers. It takes us quite a bit of time.

So, is there enough detail? You know, yes and no; it really depends on the line item.

Are there enough hours in the day, you know, to dedicate solely to looking at the budget? Definitely not.

But overall, to answer your question, we could always use more detail. More detail and more commitment on behalf of the budget is always a good thing.

Mrs. KIRKPATRICK. Mr. Blake, you changed my question just slightly, and I mean it sounds like, yeah, you could use more detail.

Do you feel like you have a timely response from the VA when you request more detail on the budget? That is really what I am trying to get to.

Mr. BLAKE. That is a wholly different question there. I thought you were going to ask us first if we thought it was sufficient in the first place.

Mrs. KIRKPATRICK. Well, please, you can answer that first—

Mr. BLAKE. I was—answer that question.

Mrs. KIRKPATRICK. Answer that first, but then I'd like to know if you requested additional detail, yeah.

Mr. BLAKE. To your question, you know, usually when our questions get answered, it's in the budget briefings when they first release it, and we sort of cobble together questions and then we just spread out over time continuing questions. I can say that as part of this hearing and this is sort of a bow to Mr. Michaud's intent, if they are doing long-term planning, that is something that we would like to see for certain. They said they are doing it, it's in their testimony, and that was the first I had heard—I am aware that that is what they are doing, but I would like to know more detail.

I actually have a little bit of fear because in their testimony, they also said that they don't want to be mandated to provide certain types of information. I can see why they might feel that way because one of our concerns that we outline in our testimony is that kind of information leading to benchmarks that don't allow for the proper evaluation in coming years as part of long-term planning.

So, if there is a—I would say to your question, yes, they are pretty responsive, for the most part, when we have an issue that we need to have addressed.

Mrs. KIRKPATRICK. But as I understand your answer, you'd like more detail about the planning?

Okay. My time is expired, Mr. Kelley, so you're off the hook, and I yield back, Mr. Chairman.

The CHAIRMAN. Mr. Kelley, you're welcome to respond.

Mr. KELLEY. Thank you, Mr. Chairman.

I think we could probably get better explanation. I think they give us a pretty good outline, but there are times we will ask specific—I'll use construction as an example. I'll just use round numbers. We will appropriate a billion dollars for a new project, but 100 million of that will be towards that project. The other 900 million will be paying old projects.

And I need—I would like to understand that process a little bit better. I can't get an answer of how that money is shifted and

shuffled around. So, that—that specifically, sure, we could use that information to make better decisions, better long-term planning from that.

The CHAIRMAN. Mr. Walz?

Mr. WALZ. Thank you, Mr. Chairman, and thank you all for being here.

As I said earlier, I know they couldn't answer us and I hear from you guys.

And I think, Carl, you brought up a great point that we need to be careful about setting the benchmarks that goes back that are unrealistic in getting this right, but I still feel like the lack of transparency here makes it harder for you to do your job of caring for veterans. And so if we push this to get those answers, anything you can do to make that happen, I would be grateful for it, too.

So, I believe in this. I believed it the first time around. I believe it's the right thing to do again, and we—we can continue to improve upon that process to make sure we don't get that, you know, budgeting on autopilot without concerns for changing situations.

So, I yield back, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Members, any other—oh, I am sorry. You're—you're hidden over there.

Mr. O'Rourke, I am sure that you have questions.

Mr. O'ROURKE. Thank you.

Really, I just actually wanted to afford Mr. Atizado the opportunity if he wanted to add anything to what the other VSO representatives have said in response to these questions on how we improve, both our strategic planning process and the merit of these three bills here.

Mr. ATIZADO. Thank you, Congressman.

First of all, under the overarching idea in our testimony about wanting more transparency and obviously more data, is really required of us as an organization to determine whether VA is, in fact, meeting a couple of things: meeting the veterans' needs, meeting the promises they have made, and making sure that the money is being spent most efficiently. So, all these three bills kind of tend toward—tilt towards that end.

And I just want to reiterate what Carl had mentioned. I think, Mr. Michaud, you and the rest of the Committee, have picked up is we—is that we do want to work towards that goal and we think it's a worthy goal.

To your question, ma'am, about whether there is enough information, I—I would—I would say this. I don't know if I would want any more information than what VA provides in its budget submission, simply because that straddles between reality, policy, and politics. And I think when we dive into actual programs and the delivery of services is where the questions come up as far as the actual data and the limitations of that data in describing how VA is going to achieve its purpose.

And I think that is—I think I've said enough, but thank you.

The CHAIRMAN. I appreciate your—your answer to that, and I want to thank all of the VSO representatives for the work that you do and the organizations that you represent.

And I also want to note and thank the representatives from the VA who stayed around to—to listen to your testimony. And they obviously couldn't say a lot during their panel, but the fact that they are here to listen as well, I think is important and significant, so I want to thank them.

And Mr. Chairman, thank you.

With that, I yield back.

The CHAIRMAN. Thank you, Mr. O'Rourke.

As previously stated, all Members will have five legislative days with which to revise and extend their remarks and add any extraneous material that they think is necessary.

We do appreciate both panels of witnesses.

Thank you, VA, for staying with us through the second panel, we appreciate it.

And once again, everybody, to the Members, thanks for being here.

This hearing is adjourned.

[Whereupon, at 11:47 a.m. the hearing of the Committee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Jeff Miller, Chairman

Good morning. Welcome to this morning's legislative hearing. Today we will receive testimony on three bills. The first is a bill I introduced along with Ranking Member Michaud, H.R. 813, the "Putting Veterans Funding First Act of 2013." The second, H.R. 806, is a bill introduced by Ms. Brownley. And the third is a bill I, again, have joined the Ranking Member in introducing, the "Department of Veterans Affairs Budget Planning Reform Act of 2013." I will now focus my opening remarks on H.R. 813.

As my colleagues are aware, just over 4 years ago, Congress started providing VA's medical care budget one year in advance. The reason behind the law that directed this change in practice was simple: a full-year appropriations bill for VA had been enacted on time in only *4 of the prior 20 years*.

According to veterans' organizations and VA officials, delayed appropriations inhibited the ability of program administrators to plan effectively. Thus, the hiring of doctors and nurses was delayed, medical equipment purchases were put off, and veterans experienced unacceptable wait times for medical appointments due to rationing. By providing the medical care budget in advance, no longer would funding for VA's health system be held hostage to Washington gridlock.

I had hoped that things would improve in the intervening years, but unfortunately not much has changed. We're still lurching forward with stop-gap funding measures and periodic threats of government shut downs.

When I introduced the Putting Veterans Funding First Act earlier this year all of government was operating under a Continuing Resolution. It wasn't until March, nearly six months into the fiscal year, when a full year appropriation was finally enacted. So although VA health care was protected, the other 14 percent of VA discretionary spending was held in limbo. VA information technology systems, claims processing, facility construction, medical research projects, veterans' cemeteries ... full-year funding for all of these items was in doubt till the very end.

Well, here we are, yet again, with the status of next year's appropriations bills up in the air. There is no agreed-upon budget framework. The House and the Senate are miles apart on appropriations measures. And the Administration has even issued a veto threat on the House-passed funding bill for VA for reasons that have nothing to do with the bill itself. Once more, political calculations having nothing to do with veterans are putting our collective support for funding of their benefits and services at risk.

Veterans deserve better from us. I listened carefully to the statements of support on the floor for advance appropriations during debate on the FY2014 VA-Milcon bill. Members of both parties spoke with high praise, with one touting the (quote) "absolute peace of mind and no worries" (end quote) brought to veterans through advance appropriations. I heard another hail it as a (quote) "platform for long-term planning and investment in critical programs," (end quote). And still another lauded it as providing (quote) "timely and predictable resources," (end quote).

I agree wholeheartedly. But couldn't these same statements be applied to funding VA's information technology program, the backbone of the health care system? Or VA's disability claims processing system, which is trying to surface from a crushing backlog? Or medical facility construction? Or how about the Nation's veterans' cemeteries? Each area requires advance planning for staffing, equipment, or contract services ... all of that is made more difficult when there is no certainty of what the full-year funding level will be. The Putting Veterans Funding First Act would end the uncertainty by ensuring VA has its full discretionary appropriation well before the fiscal year begins.

I am grateful for the support the bill has garnered across a wide spectrum of veterans' organizations. I believe H.R. 813 is entirely consistent with the protections afforded veterans funding in law today. VA is exempt from sequester, and it receives

86 percent of its discretionary funding already in advance. H.R. 813 just goes that extra mile.

In the face of dysfunction that exists at both ends of Pennsylvania Avenue, this is one area where we can continue to get it right. I thank my colleagues who have already supported the bill, and ask those who haven't to join us in truly *Putting Veterans' Funding First*.

I now recognize the Ranking Member for his statement.

Prepared Statement of Hon. Michael Michaud

Mr. Chairman, thank you for holding this important legislative hearing this morning. The three measures before us look at planning, funding and oversight. Individually, each measure is beneficial.

But when looked at together, they provide an analytic and transparent framework for VA, Congress and other stakeholders. They ensure requested resources are sufficient to meet the current and future needs of veterans. They also ensure that these resources achieve the best outcomes for veterans.

I want to thank the Chairman for bringing forward his bill, H.R. 813. H.R. 813 would extend the advance appropriations mechanism to the VA's remaining discretionary accounts. Advance appropriations can provide fiscal stability during uncertain times.

Advance appropriations also provides VA, Congress, and other stakeholders with a view of longer-term resource requirements. I believe that in order to extend advance appropriations for the remaining VA discretionary accounts, we must have strong confidence that the underlying budget projections are appropriate within a longer-term context.

That context must include a forward-looking strategy with goals and objectives, and a five-year program with expected outcomes, milestones and resources.

There must be greater visibility for Congress into the assumptions, definitions, and details than that provided by top-line appropriation accounts. This information will assure us that all VA's missions are identified, planned, and executed.

This will also give us insight into any trade-offs VA may make between resources and outcomes, and enable us to better oversee whether the VA is meeting its stated goals with executed resources.

Before we budget and appropriate dollars, we must plan and program. This, in a nutshell, is my bill, the "Department of Veterans Affairs Budget Planning Reform Act of 2013."

Let me explain what this bill does, what it does not do, and why I believe this is one of the most important bills we will consider as a Committee.

Let me use an example we can all relate to. When we look to purchase a house we consider many factors. We consider the purchase price, we look at all the items that go into determining what our overall cost will be, from taxes to utilities to maintenance, and so on.

We gather as much information as we can to assess whether this investment will be a good one in the years ahead. We look at the quality of the local schools, the prevalence of crime, and the long-term trends in our economy that might have an impact on what our house is worth in the future.

I believe the VA should go through a similar process with regard to its capabilities to carry out its mission.

My bill would codify a VA planning, programming, budgeting and evaluation, or PPBE, system. PPBE is a "best-practice" currently used by leading corporations and important segments of our Federal government.

For planning, it looks at the strategic level by means of a Quadrennial Veterans Review (QVR) that periodically assesses the changing environment. The QVR ensures VA is positioned to meet the evolving needs of veterans.

For programming, it aligns resources and efforts with the strategic direction by means of a five-year program. This lays out the path, in outcomes and resources, to get there. The five-year program looks beyond a single year's budget, and next year's forecast, and forces the VA to accurately and fully account for the taxpayer dollars provided to it.

It would provide Congress a vital tool we can use to be assured of the effectiveness of VA in meeting its responsibilities.

The bill designates a Chief Strategy Officer to ensure that the planning and programming phases of the process receive equal consideration with the budget and execution phases.

All these stages must be in place to create a mechanism that will better ensure that the VA budget provides the resources tailored to the missions of the Department and that the need for these resources is fully defensible.

This bill does not graft Department of Defense or Department of Homeland Security policies onto the VA. This bill uses these agencies as models but is crafted to meet the unique needs of veterans and the VA. DoD is significantly larger than VA, has a different mission, and has over 50 years of experience operating under a PPBE system.

There is no expectation that the VA can, or should, match what the DoD does today. It is the principles of long-range planning and programming that VA should adopt, not the 8,500 DoD Program Elements or their resource intensive approach.

My bill recognizes VA's current efforts, and is intended to support these efforts while making sure Congress has access to the information we need to do our job. For the last few years, VA has experienced a period of budget growth and has been led by a Secretary who supports analytic and transparent budget development. But we cannot expect these conditions to be permanent.

We should use the opportunity we have today to build a lasting framework to enable VA to meet its mission today, and tomorrow. Fiscal constraints may come, and leadership will transition. We must prepare now for VA to meet these challenges. Codifying a VA PPBE system in statute ensures its continuance in good times, and bad.

I am committed to moving forward with this bill. I stand ready to work with my colleagues on this Committee, and in this Congress, to see that the very best bill we can produce is enacted. I stand ready to work with veterans' groups and others as we move forward.

I recognize that a PPBE mechanism is a change in the way VA has done financial management.

Change is hard. Not everyone will be comfortable with this change. But change is necessary if we are to position the VA to meet its responsibilities, and fulfill its mission, in the coming years. **Change** is necessary if we are to perform our responsibilities as Congress. My bill, and the bills before us today, acknowledge that the status quo is no longer acceptable. This acknowledgement requires that we take action.

Thank you, Mr. Chairman, for your help and support in with my bill, and in having the Committee look at the broader picture of VA budgeting and planning.

I look forward to working with you, the Members of the Committee, and our veterans, to make sure that VA's financial management process is not the result of budgeting-by-crisis.

VA needs a financial system that is equal to the task of running the second-largest Federal agency. This system must also be capable of meeting the needs of veterans - not only today, but into the future.

I yield back the remainder of my time.

Prepared Statement of Hon. Jackie Walorski

Mr. Chairman and Ranking Member, it's an honor to serve on this Committee. Thank you for holding this legislative hearing.

Today's hearing is an important opportunity for this Committee, the VA, and respective veteran organizations to have a frank and open discussion on strengthening legislative proposals that will have a significant impact on the services available to the approximately 22,000,000¹ veterans in this country.

The work of veteran service organizations cannot go unnoticed. Because of their tireless efforts to find the best care for those who served and protected the freedoms we cherish, failures that need to be rectified have been unveiled and opportunities that can be seized upon have arisen both within Congress and, subsequently, the VA.

The legislation debated today will ultimately ensure funding for critical veteran services is never delayed due to partisan posturing.

I am proud of this Committee's ability to work together in order to fulfill our commitment to see the veterans of this country receive the benefits they have earned.

I look forward to working with my colleagues and our panelists on this legislation before us.

Thank you.

¹The official Veteran population projection as of September 30, 2011 is 22,676,149 Veterans. <http://www.va.gov/veidata/docs/SpecialReports/Profile-of-Veterans-2011.pdf>.

Prepared Statement of Robert D. Snyder

Chairman Miller, Ranking Member Michaud, and Distinguished Members of the Committee:

Thank you for the opportunity to present our views on three proposed bills in the area of Department of Veterans Affairs (VA) budgeting and strategic planning. Accompanying me are Helen Tierney, Executive in Charge for the Office of Management and Chief Financial Officer, Department of Veterans Affairs and Duane C. Flemming, PMP, Director, Policy Analysis and Forecasting, Veterans Health Administration.

The first bill, H.R. 813 would include all VA discretionary accounts in the advanced appropriation process established in 2009 by Public Law 111–81, the Veterans Health Care Budget Reform and Transparency Act. The second bill, H.R. 806 would make permanent special GAO budget review provisions established in that law on a temporary basis. The third bill, in the form of a draft, has numerous provisions regarding requirements for supplemental budget submissions and a “Future-Years Veterans Program” report, a quadrennial review, reviews of VA’s organizational structure, as well as prescribing elements for VA’s strategic planning.

On October 22, 2009, President Obama signed into law the Veterans Health Care Budget Reform and Transparency Act (Public Law 111–81) into law. This law allows Veterans’ medical care to be funded a year in advance, and it means that VA is able to receive timely, sufficient, and predictable medical care funding from year to year. For our Veterans, this means better access to the medical care we provide at our 151 hospitals, 827 community-based outpatient clinics, 300 Vet Centers and 81 mobile outpatient clinics and mobile Vet Centers. Advance appropriations support the vital healthcare services that VA delivers to more than six million unique Veteran patients each year.

H.R. 813

The proposed bill, “Putting Veterans Funding First Act of 2013,” would extend the authority for advance appropriations provided in the Veterans Health Care Budget Reform and Transparency Act to all of VA’s discretionary accounts, effective in 2016 and in each fiscal year thereafter. We appreciate how Congressional support for VA advance appropriations for our medical care accounts has enabled a multi-year approach to medical budget planning and ensured continued medical services for Veterans. The advance medical care appropriation was designed to ensure continuity of critical medical operations in the face of fiscal uncertainty.

A proposal to expand VA advance appropriations needs to be considered by the Administration as part of an across-the-government review of the advantages and disadvantages of such an approach not only for VA, but potentially other programs and agencies. Only in the context of such a broad review could the Administration offer an opinion on making such a change for the VA. We cannot therefore offer a position on H.R. 813 at this time. We very much appreciate the concern for Veterans services reflected in the proposal, and look forward to working with the Committee on how to best maintain the provision of VA benefits and services in light of fiscal uncertainties.

H.R. 806

The bill would establish a permanent requirement for an annual report by the Comptroller General on the Department of Veterans Affairs medical budget submissions. The bill would require the report be submitted to the Committees on Veterans Affairs, Budget, and Appropriations and the VA Secretary no later than 120 days after the date on which the President submits a budget request. Congress in the Veterans Health Care Budget Reform and Transparency Act established the requirement beginning in fiscal year 2011, but on a temporary basis only through fiscal year 2013.

VA does not support making these reports permanent. VA has expanded the information presented in the justification volumes each year in order to be more transparent in the budget request and to include additional information that has been requested by Congress. VA believes this information, supplemented by the continuing and ongoing oversight of VA by Congress, as well as engagement by the General Accountability Office as charged by Congress, provides ample review of, and transparency for, VA’s budget process.

A draft bill entitled the “Department of Veterans Affairs Budget Planning Reform Act

In general, VA believes the draft bill has a great deal in common with VA’s ongoing and planned strategic planning, programming, and evaluation initiatives. We are excited about this work to make sure VA’s planning and Department-level resource allocation processes are systematic and look beyond the horizon so that our Nation’s Veterans can be accorded the best benefits, services, and support VA can offer. We therefore greatly appreciate the concepts put forward in the bill. We are eager to discuss those efforts with the Committee, but we are hesitant to lock down these concepts in statute.

Recently, VA began a Planning, Programming, Budget and Execution (PPBE) initiative modeled after similar efforts used in other Federal agencies such as the Department of Defense, National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, the Department of Homeland Security, and others. VA believes PPBE has potential to more systematically improve VA’s ability to anticipate and strategically prepare for the future needs of Veterans and their families. We also believe this effort can better meet the needs of the VA workforce and buttress their dedication to serve Veterans, as well as improve resource allocation and enable VA to get the best value for scarce resources. The PPBE cycle implements a multi-year analytical framework beginning with fiscal year 2015 to ensure the requirements of VA’s healthcare delivery, benefits, and memorial services are fully vetted.

There are many elements of the draft legislation that reflect these PPBE principles, and the direction VA is going in its strategic planning and programming efforts.

Section two of the bill would require VA to submit annually at or about the time of its regular budget submission a “Future Years Veterans Program” that would include for the next five years (including the budget year submitted) estimated expenditures and proposed appropriations, as well as a VA five-year strategy regarding the Department’s commitment to Veterans and the resources to meet those commitments.

Section two would also mandate a Quadrennial Veterans Review (QVR), with the first such review conducted in fiscal year 2017. The bill sets forth detailed requirements and elements for the conduct of this review, and ties it to a ‘national strategy for meeting the Nation’s commitment to Veterans’ with a component regarding VA’s cooperation with other Federal agencies, and State, local, and tribal governments.

Consistent with these concepts, the Department has embarked on its own Quadrennial Strategic Planning Process (QSPP), which we believe is consistent with the aims of the draft bill to institute a more formalized strategic planning process to inform and drive the five-year programming process and the near-term budgeting process. The final results of our QSPP, a new VA strategic plan for the fiscal year 2014–2020 timeframe, will be published no later than the President’s budget submission in February 2014. We have already had productive briefings on the development of that plan with your staff and will continue that dialogue as we progress in finalizing the plan.

VA’s QSPP includes an environmental scanning and analysis phase, and has some of the same general goals as the Department of Defense’s (DoD) Quadrennial Defense Review (QDR). VA is concerned about expectations that the bill’s QVR should be as extensive and detailed as DoD’s QDR. VA believes an attempt to replicate the QDR is not appropriate for the Department and would have serious staffing and resource implications.

VA has been working towards building a multi-year programming capability and established the Office of Corporate Analysis and Evaluation (CAE) within the Office of Policy and Planning to lead that effort. The Secretary signed the first Future Years Veterans Plan, covering fiscal years 2015–2019, on April 30, 2013 to document the results of our first true programming effort. This effort has in common the same concepts as the legislation in providing an additional tool for VA to provide a more strategic longer-term view to ensure that capabilities are well-defined and balanced with VA’s resource requests.

While we believe the general intent of section two will be met with the emerging PPBE process within VA, we do have significant reservations about any mandate to publish specific dollar and FTE projections beyond the budget year. The strategic planning and programming processes are tools used to align vision and resources to capabilities, programs, and activities, to be distinguished from VA’s budget formulation process. A requirement to publish the programming-generated expenditure and appropriation figures along with VA’s budget, as required by the bill, could create confusion between those two functions. That in turn could limit flexibility in de-

veloping and executing the Department's budget to meet emergent requirements and opportunities.

As noted above, the QVR would require a broader role for VA in developing a National Veterans Strategy that identifies and prioritizes the full range of programs, services, benefits and outcomes regarding Veterans provided by the federal government. VA believes that its ongoing development and work in "futures" analysis and planning have common aims with this aspect of the QVR proposal, and will be glad to discuss this with the Committee, although a National Veterans Strategy would require broad analysis and policy development that would go well beyond just the VA.

Section two of the bill also requires the Secretary to provide annual "written policy guidance for the preparation and review of the planning and program recommendations and budget proposals of the elements of the Department." It is current practice for the Secretary or Deputy Secretary to issue such guidance as necessary elements of implementing the Department's planning, programming, and budgeting processes. Therefore, VA believes this provision is unnecessary.

Section three of the draft bill would designate the Assistant Secretary whose functions include planning, studies and evaluations as the Chief Strategy Officer of VA. The draft bill goes on to provide in significant detail the responsibilities of the Chief Strategy Officer. VA strongly supports the direction set out in this section, as those areas delineated in the bill are being performed by the Assistant Secretary for Policy and Planning. However, VA is reluctant to codify those responsibilities in legislation, so that those responsibilities can be adjusted as required in the future. VA would like to brief the Committees on the work of the Office of Policy and Planning as it relates to the concepts set out in section three.

Section four of the draft bill would require VA to conduct a study of the functions and organizational structure of the Office of the Secretary as well as the entire Department. It also would require VA to engage a contractor to perform a separate parallel review of those same topics. VA in its day-to-day management continually assesses the effectiveness and the efficiency of its organizational structures in serving Veterans and in being good stewards of taxpayer resources. VA recognizes there is always more to do, but believes our existing planning processes are adequate to consider beneficial organizational changes. Additionally, the reviews of the General Accountability Office and VA's Office of Inspector General provide outside review and counsel that is always seriously considered by VA.

Thank you for the opportunity to comment on these three important bills, and we appreciate the Committee's attention the critical topics of VA budgeting and strategic planning. They are integral to our drive to continue improving the health care, compensation benefits, memorial honors, and other support and services we provide to the Nation's Veterans.

Prepared Statement of Carl Blake

Mr. Chairman, Ranking Member Michaud, and Members of the Committee:

Thank you for inviting The Independent Budget veterans service organizations (IBVSOs) to present joint testimony on pending legislation designed to improve the budget, appropriations and planning processes of the Department of Veterans Affairs (VA). As you know, The Independent Budget is a comprehensive budget and policy document co-authored annually by AMVETS (American Veterans), DAV (Disabled American Veterans), PVA (Paralyzed Veterans of America) and the VFW (Veterans of Foreign Wars of the United States), and endorsed by dozens of other veterans organizations.

H.R. 813

It has been almost four years since the IBVSOs, along with our colleagues in the Partnership for Veterans Health Care Budget Reform, celebrated passage of Public Law 111-81, the Veterans Health Care Budget Reform and Transparency Act of 2009. This landmark legislation, the product of years of work and collaboration among veterans organizations and veteran leaders in the House and Senate, authorized one-year advance appropriations for the three medical care appropriations accounts in the Department of Veterans Affairs (VA): medical services, medical facilities, and medical support and compliance (now medical administration). As a result, the VA medical care budget is now approved up to a year in advance of the start of each fiscal year, preventing the disruptions that have been regularly occurring in other federal agencies due to endless budget stalemates and continuing resolutions.

In the two decades prior to enactment of the law, VA received its regular annual appropriation before the start of the fiscal year just four times, creating sustained challenges for administrators striving to provide timely, quality health care to wounded, injured and ill veterans. With the enactment of Public Law 111–81, VA now receives its medical care appropriation on the first day of the fiscal year, and can plan on that funding level up to a year in advance. By assuring timeliness and predictability of funding levels, VA health care has been more effective and efficient in the use of funding provided to operate VA's medical care facilities and myriad programs.

H.R. 813, the Putting Veterans Funding First Act, introduced by Chairman Miller and Ranking Member Michaud, would build upon this success by authorizing advance appropriations for the remaining discretionary accounts: Medical and Prosthetic Research, General Operating Expenditures, Information Technology, National Cemetery Administration, Inspector General, Major Construction, Minor Construction, State Home Construction Grants, State Cemetery Grants and Other Discretionary Accounts. In total, the remaining portion of VA's funding requested outside the advance appropriation process is only 10 to 15 percent of VA's total discretionary funding.

While the enactment of advance appropriations authority for VA medical care has been successful in helping the VA health care system operate more efficiently and rationally during budget stalemates, the remaining VA budget accounts continue to be negatively affected by unrelated political and partisan fights. For example, although the VA medical care budget accounts may contain sufficient funding to open a new outpatient clinic, the fact that VA's IT funding is still provided through the regular annual appropriations process can mean that computers or other IT systems might not be available until Congress completes its work on VA's regular appropriations bills. Similarly, some of the funding for Medical and Prosthetic Research directly contributes to clinical care, but it is out of sync with the provision of medical care funding done through advance appropriations. Thus, while VA researchers' salaries and benefits (paid by the Medical Services appropriation) are now secured at day one of a fiscal year, their awarded research projects may be delayed or interrupted because that appropriation is not yet approved by Congress.

Moreover, VA construction accounts that fund vital infrastructure maintenance and improvement projects would also be more efficient if were provided through advance appropriations. Uncertain funding levels and delayed contract awards add to overrun costs on important VA capital projects. Finally, the Veterans Benefits Administration's ability to address the backlog of pending claims and transform itself into a modern 21st century organization is hindered by annual budget fights and endless continuing resolutions. Moreover, because VBA's reform is heavily dependent on automation and information technology, its transformation would benefit from the timely and predictable funding resulting from advance appropriations.

Mr. Chairman, in The Independent Budget for Fiscal Year 2014 we recommended that Congress debate and consider authorizing advance appropriations for all VA accounts. Earlier this year, you and Mr. Michaud introduced H.R. 813 to achieve exactly that goal, and we are pleased to support this legislation. We believe that our nation has no higher obligation than to ensure that the men and women who served in our armed forces receive all the benefits and services owed to them in a timely manner. This legislation will help guarantee that promise is kept.

H.R. 806

In addition to extending advance appropriations to all VA accounts, The Independent Budget recommended that Congress permanently authorize a role for GAO to monitor and report on VA budget formulation and the advance appropriations process. Under the provisions of Public Law 111–81, GAO was required to study and report on the Administration's VA medical care budget submitted in 2011, 2012 and 2013. In particular, GAO was required to compare the amounts included in the Administration's budget submission with the amounts estimated by VA's Enrollee Health Care Projection Model, the internal actuarial model that projects VA medical care resource needs.

In the first two years, GAO reported significant findings of unjustified, questionable changes VA made during the internal budget development process. For example, in 2011, GAO found that requested funding for non-recurring maintenance (NRM) was significantly below the amounts projected by the actuarial model. In 2012, GAO found that VA was once again proposing to make substantial reductions in budget requests based upon unverified future savings from planned operational improvements. The third and final report required under the current statute is due to be released within the next month and we look forward to reviewing these findings.

H.R. 806, introduced by Representative Brownley, would make permanent the requirement that GAO continue to study and report on VA's budget submissions, also a recommendation called for in *The Independent Budget*, and we are pleased to support this legislation.

In addition, we would note that should H.R. 813 be enacted, it would be necessary to revise H.R. 806 to provide additional flexibility to enable GAO to study and report on all VA funding provided through advance appropriations.

Discussion Draft Bill on VA budget and strategic planning reform

The discussion draft bill to be proposed by Representative Michaud, entitled the "Department of Veterans Affairs Budget Planning Reform Act of 2013," would establish new planning and budgeting processes, as well as study and make organizational changes affecting VA's ability to develop and implement budgets and strategic plans. The draft bill would establish five new processes to accomplish these purposes.

First, the draft bill, beginning in 2017, would require VA to conduct a Quadrennial Veterans Review (QVR) every four years, modeled after the Quadrennial Defense Review (QDR) and Quadrennial Homeland Security Review (QHSR) currently required by law. The Quadrennial Veterans Review would study and report a strategy for meeting the nation's commitment to veterans and the resources required to meet that commitment. The QVR is intended to be a futures-based look at opportunities, challenges, policies and strategies related to meeting veterans needs. The report would also examine the priorities for veterans programs and assess the effectiveness of VA's organizational structure.

The draft bill requires that VA conduct its review in consultation with other Federal agencies, as well as a wide range of stakeholders, "including State, local, and tribal government officials, members of Congress, veterans service organizations, private sector representatives, academics, and other policy experts."

Second, the bill would require VA to develop and submit annually a Future-Years Veterans Program (FYVP), which is modeled after the Future-Years Defense Program (FYDP) and the Future-Years Homeland Security Program (FYHSP). The FYVP would lay out a five-year plan for meeting the nation's commitment to veterans as well as delineate the resources necessary to meet that commitment. The FYVP would include five-year estimates of the budget and appropriations levels on a program element basis in order to ensure that resources properly align with outcome-based plans and programs. The FYVP would be submitted concurrent with VA's annual budget submission and the draft bill would require that it be consistent with funding requests contained in the Administration's budget submission. The draft bill would also require that the Future-Years Veterans Program be coordinated with the Quadrennial Veterans Review, which serves as the foundation for developing the FYVP's five-year plans.

Third, the draft bill would require the Secretary to annually provide certain policy guidance to VA planning, programming and budgeting officials throughout VA responsible for developing individual program budget recommendations. The policy guidance from the Secretary would be required to be based on the most recent QVR and FYVP, as well as estimates of the "resource levels projected to be available" in future years.

Fourth, the bill would create the position of Chief Strategy Officer (CSO) to be filled by the Assistant Secretary for Policy and Planning, or if there is a subsequent reorganization, the Assistant Secretary responsible for agency planning. The CSO would have broad responsibilities for overseeing the planning, programming, budgeting and execution functions Department-wide, to include health care, benefit and cemetery programs. The CSO would have significant independent authority, reporting only to the Secretary. The CSO's responsibilities for budgeting would be on the same level as VA's Chief Financial Officer (CFO), a role designated for the Assistant Secretary for Management. The CSO would be chiefly responsible for managing the new QVR, FYVP and policy guidance requirements contained in this draft bill.

Fifth, the draft bill would require VA to undertake a comprehensive one-year study of the organizational structure of the Secretary's office and the Department as a whole. In addition, the draft bill would require that an independent contractor conduct a parallel study of the organizational structure of the Secretary's office and of the Department. The independent study would be included within the report submitted by the Secretary to Congress.

The discussion draft bill has a number of intended purposes, which would include the following:

- To strengthen VA's capacity to plan for near- and long-term future needs of veterans;
- To ensure that strategic planning is future-looking and outcome-based;

- To create a more unified planning, programming, budgeting and execution process;
- To better align VA's plans with their resource requests; and
- To increase the transparency of VA's planning and budgeting processes.

The IBVSOs agree that these intended purposes are worthy goals, generally shared by VA and supported by Congress. However, because the discussion draft bill has only recently been shared, and is not yet in final form, we have not had sufficient time to explore a number of important questions about whether the bill would ultimately be implemented as intended by its sponsors, whether the proposed structures and institutional changes would achieve its intended purposes, or whether there could be any unintended and negative consequences that could or should be addressed before the bill advances.

For example, we are not yet certain that a strategic planning framework designed specifically for the Department of Defense (DOD) and later adopted by the Department of Homeland Security (DHS) would be appropriate for VA. There are fundamental differences between DOD and VA (and also between DHS and VA) that raise concerns about whether VA should be required to use the same planning structures and methods designed specifically to evaluate DOD's future roles and missions following the end of the Cold War. The original Quadrennial Defense Review (QDR) was recommended in 1995 by the Commission on Roles and Missions of the Armed Forces, following the collapse of the Soviet Union, the fall of the Iron Curtain over Eastern Europe, and revolutionary defense and budgetary changes taking place in the United States during the 1990s. Because the world was being transformed in fundamental ways, DOD and Congress agreed it was necessary to comprehensively review and reconsider the nature of future national security threats, our defense posture and capabilities, and future-looking strategies and tactics required to protect our nation. The paradigm shift in national and homeland security that occurred overnight on September 11, 2001 further emphasized the need for regular strategic reviews within both DOD and DHS. By contrast, the fundamental roles and missions of VA and veterans policies rarely, if ever, need to shift so quickly or dramatically based on external events or influences.

Another central argument put forth by the Commission for creating a quadrennial review at DOD was that, "when Administrations change, defense planning is subject to a turbulence exceeded only by that resulting from significant shifts in the international security environment." While presidential elections may often lead to large swings in national security policy, our nation's longstanding commitment to veterans has remained clear and steadfast for at least 150 years, going back to Lincoln's 2nd Inaugural Address and his call to "... care for him who shall have borne the battle, and for his widow, and his orphan" Veterans policy evolves over time, not overnight following elections or as a result of a revolution in a foreign land.

Of course, long range strategic planning is vitally important and VA does and must continue to do so. VA's current strategic plan, which covers the period from FY 2011 to FY 2015, is centered around three guiding principles: "people centric," "results-driven," and "forward-looking." It lays out four strategic goals, sixteen major initiatives, and twenty supporting initiatives, and the plan identifies agency priority goals by fiscal year. VA also annually prepares and submits to Congress and the public a Performance and Accountability Report to show how well VA's strategic goals are being met through regular assessment of objective criteria. In addition, VA's annual budget submission lays out in great detail the programs and policies designed to achieve VA's strategic goals, including analyses of resources dedicated to meeting each goal.

VA also supports two dozen ongoing advisory committees to provide outside perspectives on specific needs, such as for disability compensation, education, prosthetics, geriatrics, homeless veterans and women veterans. Congress has also authorized commissions and task forces from time-to-time to take comprehensive, in-depth looks at major issues or challenges, such as in mental health programs, disability benefits, vocational rehabilitation and health care funding, to name only a few. It is not yet clear how or if the creation of a Quadrennial Veterans Review would improve on these ongoing strategic planning processes. Would it ultimately combine, supplant, or supplement these activities?

Similarly, it is not clear whether the creation of a Future-Years Veterans Program would lead to either more transparent or more accurate budgets or appropriations. Although the QDR and QHR are readily available online, it does not appear that the FYDP or the FYHSP are similarly available. Although it is understandable that both DOD and DHS would keep classified programs' budgeting and planning information shielded from public view, there appears to be no part of their Future-Years

Programs that is publicly available for review, even for their many unclassified programs and budgets. As such, we have questions about whether the information to be included in the FYVP would be transparent. Furthermore, without the ability to review a Future-Years Defense (or Homeland Security) Program, we are challenged to determine how or whether this approach has changed their budgeting processes, and specifically whether the programs are better aligned with budgets and long-term plans. We can reasonably conclude, however, that it has not made it more transparent.

We also have questions about the complexity of the proposed Future-Years Veterans Program process, both about the level of detail to be included and whether it would create a more helpful or difficult process. Although we were not able to see an actual example of a Future-Years Program document, we were able to locate a 2004 DOD guide to the structure and codes used in the FYDP. This document was 2,160 pages long and contained more than 8,500 Program Element (PE) codes, each of which may have associated five-year budget estimates. We understand and appreciate that VA's budgeting process is significantly less complex than DOD's, but without the ability to actually see actual examples of how a Future-Years program would work, and without details about the number of program or budget lines the FYVP would contain, it is difficult to ascertain whether this new budgeting element would be an improvement to the current budgeting process. We also have questions about how difficult it may be to change out-year numbers at the program level in a future budget-constrained environment.

Another significant unanswered question concerns the role of the Office of Management and Budget (OMB) in this new planning and budgeting process. Since the draft bill requires that the Administration's budget be "consistent" with the FYVP budget estimates, would OMB have a direct or indirect ability to revise or constrain the budget and appropriations levels contained in the FYVP? In setting out "policy guidance" to the individual program offices, the Secretary is required to inform them of "resource levels projected to be available" as they make their budget estimates; would these levels come directly or indirectly from OMB?

There are also questions about the creation of a new CSO inside VA. The language of the draft bill would give the CSO significant independence in overseeing all, planning and programming throughout VA, including that done within the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA) and the National Cemetery Administration (NCA). Would the CSO have overlapping authority with the Under Secretaries of these administrations? In preparation of the budget, the CSO also would play a significant role and possess final approving authority according to the draft bill's language. How would the CSO and the CFO interact during preparation of VA's budget; are they co-equal and how would disagreements between them be settled? Would this lead to greater harmony or conflict within VA's budget formulation process?

We also have questions about the role of veterans service organizations in the development of the QVR. The draft bill would require VA to consult with a wide range of stakeholders, both governmental and nongovernmental. As organizations that have not only great interest in veterans policies, but great experience and expertise in dealing with them, we have concerns about whether this broad consultation process would dilute our input. While there is always a role for outside perspectives to ensure fresh thinking within public agencies, VSOs are not idle stakeholders; collectively we provide direct assistance to VA and veterans in many areas, and particularly in representing veterans in their claims for benefits and services. We all have service officers who work inside VA facilities and behind information technology (IT) firewalls, playing an integral role in the claims processing system and serving veterans as attorneys-in-fact. We are concerned about the bill's potential of diminishing our influence and putting us on par with less interested, involved or informed stakeholders during the consultation process.

Although we have important questions about the effects of this bill, the details of some of its provisions, and how it might be implemented, we have no questions about the sincere intentions of the bill's sponsors. We agree that VA's strategic planning and budgeting processes ought to be consistently and openly aligned to achieve our shared goals in support of America's veterans. We also agree that more transparent, honest and detailed information can build greater confidence in VA, increase the effectiveness and efficiency of veterans programs, and improve the outcomes for veterans who need support, services and care. However, planning processes or structures in one agency are not necessarily appropriate for every other agency. History shows that Congressional intent is not always faithfully implemented. For all of the above reasons, we believe it is important to raise and resolve these questions and concerns now, to help prevent any unwanted and unintended negative consequences before this draft bill were to move forward.

Mr. Chairman, we greatly appreciate the meaningful dialogue and cooperation we have had with the Committee's professional staff on both sides of the aisle, helping us to better understand this draft bill. We are grateful for their willingness to work with us to address our concerns, and we look forward to continuing to work together with the bill's sponsors in this regard. However, since this issue was not addressed in our most recent Independent Budget released in February, 2013, and because we still have many unanswered questions about this draft bill as highlighted by this testimony and our discussions with staff, we do not have a position on this draft bill.

This concludes our testimony and we would be happy to answer any questions that you and Members of the Committee may have.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2013

No federal grants or contracts received.

Fiscal Year 2012

No federal grants or contracts received.

Fiscal Year 2011

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation—National Veterans Legal Services Program— \$262,787.

Prepared Statement of Louis J. Celli, Jr.

America's veterans deserve sufficient, timely and predictable funding for the programs of the Department of Veterans Affairs (VA). The entire country has watched the budget squabbles and territorial infighting of Congress over the last several years. Though this committee has steadfastly risen above the fray and maintained a bipartisan spirit of cooperation, veterans' program have still suffered from the specter of government shutdown, sequestration, and a bitterly divided budgetary landscape that has led to stop gap continuing resolutions in the place of the passage of real budgetary legislation.

Chairman Miller, Ranking Member Michaud and distinguished Members of the committee, on behalf of Commander Koutz and the 2.4 million members of The American Legion, I thank you and your colleagues for the work you do and especially your bipartisan dedication to "getting it right" for America's veterans and their families.

The legislation considered by the committee today is focused on fixing some of the budgetary concerns related to the VA, and helping to achieve that goal of forward thinking, sufficient, timely and predictable funding for veterans' programs.

H.R. 806:

To amend title 38, United States Code, to make permanent the requirement for annual reports on Comptroller General reviews of the accuracy of Department of Veterans Affairs medical budget submissions, and for other purposes.

This legislation makes permanent a current requirement for the Comptroller General to review the accuracy of the Medical Care Budget Submission, as it relates to the Baseline Health Care Model Projection. The review is to be submitted to the House and Senate Committees on Veterans' Affairs, as well as the House and Senate Appropriations committees, and the Committee on the Budget of the House of Representatives not later than 120 days after the submission of the President's budget.

As a resolution based organization that derives its operational mandate from resolutions passed by membership in regular meetings, The American Legion has no resolution respective to oversight of the VA budget submissions by the Comptroller General.

The American Legion has no position on this legislation.

H.R. 813: Putting Veterans Funding First Act of 2013

To amend title 38, United States Code, to provide for advance appropriations for certain discretionary accounts of the Department of Veterans Affairs.

When Congress passed the Veterans Health Care Budget Reform and Transparency Act in 2009, the intent was quite clear: ensure sufficient, timely and predictable funding to care for those who have worn the nation's uniform. The key improvement was the authorization of Congress to approve investments in medical care for veterans one year in advance to allow VA to more effectively plan for the future and ensure veterans would get the quality medical care they have earned. Supported by resolution¹, The American Legion worked closely with Congress, and this Committee, to ensure that this legislation passed.

This goal is still as vital and important as it was four years ago and The American Legion certainly supports assured funding for VA through resolution². Daily news stories about the backlog of disability claims, and the inability of VA and the Department of Defense (DOD) to come together on plans for a joint electronic health record, have made it clear that veterans' health care is not the only component of the budget that needs to benefit from advance appropriations.

Through American Legion analysis, and close working projects regarding VA programs, we now recognize that many other key VA accounts, such as the Information and Technology (IT) accounts; necessary to provide long term planning as VA struggles to implement technology goals, like a fully electronic operating environment to help tame the claims backlog, or; the ability to transmit health records back and forth with the DoD, would benefit from advance appropriations. The Major and Minor Construction budgets would also benefit from a longer range planning window, to better understand and project how VA will meet their growing infrastructure needs, even though they have routinely slashed funding for construction over the past several years.

The American Legion worked closely with the Veterans Benefits Administration (VBA) as they grappled with turning the tide of a massive claims backlog through the looming threat of sequestration, which held future planning hostage for nearly a year until the Office of Management and Budget (OMB) was able to render their report. And, as many of the committee members here remember, it took much hounding from this committee, the Senate Committee on Veterans' Affairs, and Veterans Service Organizations (VSOs), including The American Legion, to ensure that the main VBA programs be exempt from sequestration. That looming threat was potentially devastating to the long term planning needs of VBA employees seeking to tame the massive backlog. Just as VBA was attempting to implement a major IT infrastructure change with the Veterans Benefits Management System (VBMS), planners were facing down an uncertain future because only the already-protected medical care budgets had the certainty of advanced appropriations to enable long range planning.

Through the work of the 2,600 American Legion Accredited Veteran Service Officers, our 10 years of System Worth Saving reports that have chronicled a decade of VA healthcare and services, and the hundreds of programs facilitated through thousands of American Legion posts working on behalf of veterans nationwide, every day, The American Legion has the ability and resources to assess firsthand the importance of safeguarding the important initiatives rolling out to meet the needs of America's veterans. We want this committee to know that we are adamant about protecting these vital services; whether they are in place to serve our recently returning service members who are coming back from fighting two grueling wars in Iraq and Afghanistan, or our Vietnam era veterans facing retirement, or World War II and Korean war veterans facing the decisions revolving around elder care. Finally, the VA budgets need to properly reflect the long term planning necessary to meet expansions of the National Cemetery system, the VBMS and electronic record projects which affect VBA, VHA and IT, as well as ongoing Office of the Inspector General (IG) oversight. These programs, and our veterans, deserve the same benefit of a long term planning window that the medical care accounts enjoy.

The American Legion strongly supports the expansion of advanced appropriations to all discretionary accounts of the Department of Veterans Affairs. Assured funding that supports long term planning is essential to preventing future backlogs, future

¹Resolution No. 313: Support Budget Reform of Annual Appropriations for the Department of Veterans Affairs (VA) Health Care Funding

²Resolution No. 180: Assured Funding for VA Medical Care

breakdowns in benefits delivery and the smooth IT structure required for seamless transition.

The American Legion supports the passage of H.R. 813.

Draft Legislation: Department of Veterans Affairs Budget Planning Reform Act of 2013

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to submit to Congress a Future-Years Veterans Program and a quadrennial veterans review, to establish in the Department of Veterans Affairs a Chief Strategy Officer, and for other purposes.

This legislation, broad in scope, seeks to formalize planning procedures and develop tools for use, both within VA and by outside but vital stakeholders such as Congress and VSOs, to determine whether VA budgeting is on track to meet their goals and deliver benefits and services to the nation's veterans. The intention of the legislation is admirable, as more transparency and access to more data is helpful for all stakeholders to ensure VA is moving forward in the direction that will best meet the needs of veterans. As The American Legion is a resolution based, grass roots organization that derives our operational mandate from our combined membership in the form of resolutions passed at regular meetings, and the resolutions are silent on the structural changes this legislation would impose, we cannot support or oppose this legislation. However the very important concepts outlined in this legislation merit discussion on a section by section basis, and the following points should be considered if this legislation moves forward.

Section I: *Simply outlines the title*

Section II:

Future-Years Program: This section outlines the mission for VA to create a "Future-Years Veterans Program" to coincide with the annual budget submission. The Future-Years program would be similar to the budget, but would also cover expected expenses over a five year period. The first two years of the Future-Years program would exactly mirror the budget submission (which presumably would cover two years in anticipation of advanced appropriations) but would also contain out year projections to meet the goals of VA in seeing to the needs of the nation's veterans. This process potentially could be useful to outside observers, as if VA were to suddenly lower funding from a key project in one year's budget, and not reflect a down the road increase, it would immediately raise red flags as to how they still intended to meet the outcome down the road with drastically reduced funding.

Furthermore, by comparing the Future-Year plans from year to year, within a brief period, any budgetary legerdemain would presumably become glaringly obvious. An example of this type of behavior can be seen with recent underfunding of VA's Construction budgets. Despite the fact that VA has a Strategic Capital Investment Planning (SCIP) program to determine long term construction needs, the budget request for Major and Minor Construction over the past few years were low. As noted by past National Vice Commander of The American Legion William Schrier before the Senate Veterans' Affairs Committee³, VA's SCIP plan called for \$65 billion in projects over the next ten years, which should have amortized to approximately \$6.5 billion a year in construction costs, yet VA's own ask was less than \$2 billion. This glimpse into the longer term picture was what prompted The American Legion to push for more funding for Construction so VA would not fall behind their SCIP program needs. Sadly, the budget was not increased, but perhaps with better tools to see the discrepancies, Congress will also be able to recognize these shortfalls and help adjust VA's budget upwards when critical goals are in danger of not being met.

Quadrennial Veterans Review: This would require, starting in Fiscal Year (FY) 2017 and every four years thereafter, a review of the commitments of the United States to veterans and a determination of what resources are necessary to deliver on those commitments. This review would be comprehensive in scope, would examine all policies and strategies, and would require consultation not only within the Department, but with other governmental bodies, as well as State and local governments, tribal officials, private sector and academic concerns, and importantly members of VSOs.

Herein lies a major concern of The American Legion, as the full role of VSOs is not clearly delineated, and it is unclear what is meant by re-examining the commit-

³ Statement of William F. Schrier, Department of Washington on behalf of The American Legion before the Committee on Veterans Affairs, United States Senate, February 29, 2012

ments of the United States to veterans. In certain cycles, when the blood sacrifices of our nation's veterans are less prominent on the nightly news, there are forces that rise to question why we provide compensation to our veterans. Though the devastating effects of exposure to the chemical defoliant Agent Orange were only brought to light by the tireless efforts of advocates like The American Legion, there are those who would roll back the clock on hard fought gains for those Vietnam veterans who have suffered devastating effects and terrible disabilities because of exposure. When the eyes of the nation are not squarely on the wounded veterans, there are those who would question the entire system of VA disability.

The rise of such attitudes and how they might factor in to "a re-examination of the commitments of the United States to its veterans" is deeply troubling to The American Legion. The American Legion strongly opposes any administrative or legislative proposals to dilute or eliminate any provision of the disability compensation program⁴. In order to ensure the voice of those most important to an overview of VA commitments, the veterans who would be affected, is not lost there would have to be clearer direction about the nature of VSO involvement in the evaluation process.

Already VSOs contribute greatly to the tools Congress and VA have at their disposal to evaluate the effectiveness of VA programs. The American Legion provides annual "System Worth Saving" reports on the effectiveness of health care delivery in the VHA system, as well as "Regional Office Action Review" assessments of VBA claims processing. VSOs are clear experts in VA programs, and their essential role in the evaluation of VA should be reflected.

Section III: *This section would designate a Chief Strategy Officer (CSO) for the Department of Veterans Affairs. The CSO would be a principal advisor to the Secretary, and would advise on long range strategic planning and the implications of such planning. This would include, but not be limited to, such tasks as cost estimation, integration of planning, analysis on the planning and programming phases of the new system, and developing and executing the Future-Years Program. This would be done to give this new system appropriate heft and weight within the Department, and ensure the work of planning the future programs was not circumvented by other concerns.*

Section IV: *This section provides for a study on the functions and organizational structure of the office of the Secretary of Veterans Affairs and of VA in general. As with any major change in scope to an organization's long range planning mechanisms, a study of the existing systems in place is warranted. The study mandated by this legislation will take place no later than one year after the enactment of the legislation.*

Overall, the importance of ensuring VA has proper tools in place for long range strategic planning is something The American Legion supports, even if the mechanism is still under consideration. We are continuing to study and evaluate the matter, and are working with our membership and leadership to analyze the legislation as it evolves to develop a position that reflects what is best for the veterans of America. We appreciate the Ranking Member's diligence and attention to VA's resources in bringing the legislation forward, and hope to continue to work with Mr. Michaud and the committee to ensure the best outcome for America's veterans.

Because The American Legion is a resolution based organization with two and a half million voting members, we have not had sufficient time to thoroughly review all of the components of this legislation, and plan to do so at our annual convention in Houston, Texas August 27th – 29th, and therefore has no position on the draft legislation at this time.

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⁴Resolution 178: *Department of Veterans Affairs (VA) Disability Compensation*, AUG 2012